

and of a career which has inspired all who were privileged to serve in the Congress with that preeminent Georgia statesman whose name your law school bears. The ennobling influence of Walter George will live on.

I want to talk to the law students today out of my own experience as a legislator and a politician who believes that a knowledge of the law is a great aid and often an indispensable adjunct in the public service. I wish to speak of our tasks as citizens with the special mission of bearing Christian principles into the arena of political conflict. I believe an appropriate caption for this talk would be the "Due Process of Lawmaking."

The phrase "due process of law" is familiar to all. It is given sanction in the Constitution and it has rich meaning for those whose property or liberty or life is in jeopardy. The well-trained and morally disciplined lawyer is but fortifying those principles which are at the core and center of our Christian faith. And in those excursions into political conflict which every lawyer must take, though he may never run for office, it will be apparent that without the guidance and depth of religious instruction the techniques of both law and politics may be tragically abused. This is a period in your lives in which the sacred character of the legal profession should be impressed upon your mind and heart. The commonwealth is one of the Christian's finest workshops. Without the buttress of Christianity modern education would become mere window dressing.

Due process of law is the special guardianship of lawyers and judges; due process of lawmaking belongs to legislators and political leaders. Process itself has value. It must be reversed in a democracy. Every lawyer learns this pretty early. What a shock it would be, having proved, for example, that a defendant had been denied his right to a duly impaneled jury of his peers to hear a higher court say, "but he was obviously guilty anyway." There is no way to assure the innocent of their rights of due process but by according those same rights to the guilty.

The due process of lawmaking is also an ideal for democratic governments though it does not have the prescribed legal forms afforded due process of law. I use the term "lawmaking" in the sense of determining national or State policy, and since there are formal procedures for treaty-making the term is broad enough to embrace world law. I am speaking, however, not of the technical rules for moving a bill through legislative bodies, but rather of the democratic processes which involve influencing public opinion and the ultimate expression of that opinion in wise and beneficial policies.

In the atmosphere of a Christian campus it should be easy to perceive the role of moral leader in the affairs of state. We Baptists have a fine tradition. We seek not to dominate the state but rather to influence it. That influence is exerted by sending into the struggles for decent government our

dedicated sons and daughters who believe that the service to be rendered there may be a Christian service and may bring a satisfying human experience. The lawyer has a special gift for this service. He is an acknowledged leader. He should excel in interpreting public issues in terms of moral value. In modern times he can fill a dual role: craftsman in legal affairs, and preceptor in political morality. The two may sometimes appear to be in conflict. The practitioner of lawmaking may be impeded by the lagging views of the electorate. Part of his job is to correct this by giving enlightenment. As one of my colleagues put it: "A legislator should be a window as well as a mirror." He is dutybound to take into account and deal sympathetically with the fears and fallacies that beset us mortals. At the same time he may be pressured by those who would focus only on moral considerations. Patience here is also required. He should avoid contempt for the abstract goodness of the moralist. A sense of realism should not lead to a grading down of his service to levels of ignorance or dullness that might characterize some of those he seeks to represent. We must not succumb to mediocrity. I have been defeated often enough to know that even a majority of the people can sometimes be wrong. And perhaps to simulate modesty I should add—elected often enough.

Sir Henry Maine gave us a good adage: "Social opinion must be in advance of law and the greater or less happiness of the people depends upon the narrowness of the gulf between them." Dr. Northrup of Yale University had this in mind in distinguishing between "living law" and "positive law." Living law applies to the community and social standards sustained by the customs and attitudes of the people; positive law to the decrees of legislatures and courts. The two are often identical but occasionally in conflict. When in conflict as in the current controversy over implementing the Supreme Court school decisions of 1954, a difficult question is posed for lawyers, moralists, and political leaders.

I refer to the problem for illustrative purposes; it is far too complex for treatment in a single talk. I would like to say, however, that out of the Little Rock experiences I have gained a new comprehension of the magnitude of the problem. It is a tremendous challenge to our imagination, our vision, our patience, our sense of justice, our skill in defending valid sectional viewpoints and our ability to dwell in peace with those of other sections who do not share our views.

One other point on that theme: I have faith in our capacity to meet that challenge. In the State which produced Ben Hill, Henry Grady, and other immortals, I know that I am in the company of men of like faith. We have faith that the "indestructible union of indestructible States" may be preserved without undue strains; but this will come about only if larger numbers of all Ameri-

cans, North and South, resolve to explore the problem in utmost good will—determined that social opinion rather than force shall be the basis for change in patterns of living. Criticism of court decisions must not be construed as defiance. We may surely be permitted to seek alterations to national policy without being charged with disloyalty to constitutional principles. Christian, rather than doctrinaire, attitudes on both sides will provide the answer, but time is an essential element. And the Jeffersonian principle of considering local variations in conditions should be embraced in the national policy. This coupled with demonstrations of our ability to achieve justice for minority groups in specific situations should be constructive aids in getting a fresh start toward national unity and racial harmony.

The ideal of due process of lawmaking can be greatly served if all branches of government will reexamine the problem in the light of difficulties growing out of edicts requiring sudden change in age-old customs of the people. The South assured by such a reexamination that haste and force will not prevail should seek to stimulate throughout the region those forces of moral fervor and racial good will which have had our support.

Jeffersonian democracy accentuates local determination, but pleads for justice for all and would lead every community to accord basic rights. This is sound governmental policy and is a concession to social customs which are subject to change.

I have mentioned the opportunity offered the lawyer of playing a dual role. As advocate he struggles to achieve justice for a client, and as civic worker he undertakes to direct public policy for just and righteous ends. Primarily though he is a worker—a craftsman—not a prophet. On this point let him reverently turn to the church to relate himself properly to the source and inspiration of true law and to build in his own career and in the thinking of the people an appreciation of the moral guidance which ministers and law school faculties supply. This does not imply that our ancient opposition to authoritarianism is to be diluted, that differences are not to be alled. I urge merely that an effort be made to channel the church influence into the processes of government and that a firm though flexible partnership between lawyer and Christian minister be used for perfecting human society. When Paul suggested to the Ephesians that we "speak the truth in love," he was giving wise counsel for all of us.

The Baptist influence in the South is perhaps greatest of any religious organization—not because we are more virtuous or sensitive than other Christians, but we are more numerous. And in the Nation as a whole we have forums which can be properly used for relieving tensions and presenting the truth. This is a part of the service of reconciliation that the Nation needs.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 21, 1958

The House met at 12 o'clock noon.

The Reverend Meletius M. Wojnar, of the Order of St. Basil the Great, assistant professor of oriental canon law, the Catholic University of America, offered the following prayer:

Almighty God, we, the Congress of the United States of America, in the name of the entire Nation, acknowledge You as our Lord and God. And therefore, as a nation, we worship You and we respect

Your law. We thank You also for Your protection from all evils and for conserving in our Nation the great principles of democracy: freedom, prosperity, and justice for all. Finally, we beseech You for peace for our country and for all other countries.

And, especially on this occasion of the 40th anniversary of the independence of Ukraine, we ask You to grant to the Ukrainian Nation and its 40 million people and to all the captive nations behind the Iron Curtain the opportunity to live and to worship You in freedom, independence, and in peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had adopted the following resolution:

Senate Resolution 243

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. MATTHEW M. NEELY, late a Senator from the State of West Virginia.

Resolved, That a committee of 15 Senators be appointed by the President of the Senate to attend the funeral of the deceased at Fairmont, W. Va.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION BILL, FISCAL YEAR 1958

Mr. MAHON, from the Committee on Appropriations, reported the bill (H. R. 10146) making supplemental appropriations for the Department of Defense for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 1288), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION BILL, FISCAL YEAR 1958

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, the Committee on Appropriations has just filed the report on the \$1.2 billion supplemental appropriation bill for fiscal year 1958. The report covers only 14 pages. There have been thousands of columns printed and millions of words have been spoken about our defense situation. Questions have been asked as to the adequacy of appropriations and programs. I do hope that all Members of the House will find time to read these 14 pages.

The bill will be taken up, as I understand the plan of leadership, tomorrow for debate and, if there is a rollcall, that will come on Thursday.

The hearings consist of only one thin volume of less than 400 pages. Those hearings are full of information that should be in the possession of all Members of the House. I rise to alert the Members to this bill and to ask them to read the report and look into the hearings in order that we may take proper action when we call up the bill for consideration tomorrow.

THE FOUR-WAY TEST

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, it is a pleasure for me today to join with the Delray Beach Rotary Club and its president, J. Arnold Carter, who is in Washington today, in presenting to each

Member of Congress a 3-inch hemisphere paperweight with the four-way test inscribed on it. You should receive it today.

The origin of the four-way test dates back to 1942 and was created and set forth by Herbert J. Taylor, of Chicago, Ill., who was president of Rotary International in 1954-55. During the depression years Taylor, in seeking divine guidance in a particularly important problem, turned to the Scriptures of the Bible, and it was from this that the four-way test evolved.

FOUR-WAY TEST

1. Is it the truth?
2. Is it fair to all concerned?
3. Will it build good will and better friendships?
4. Will it be beneficial to all concerned?

It has been variously described as a guide to use in any relationship of government, business, or social life; a yardstick of all things thought, said, and done. The proven results obtained by groups, communities, governing bodies, and individuals who have adopted it are somewhat amazing. Rotarians the world over are extremely enthusiastic about the merits of the application of the test when applied to any relationship of one person with another.

Members of the Delray Beach Rotary Club are very enthusiastic at the opportunity to bring before Congress the four-way test, and it is hoped that each Member will adopt this as his motto and that it will be beneficial in promoting worldwide peace and understanding.

TELEVISION

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, television belongs to the people.

In its presentation of entertainment, advertising, and news, it is a new democratic medium of communication that must be kept free from monopolistic control.

There is a movement underway in favor of pay TV that would reduce it to the status of a jukebox screen, where you would have to pay to see what is currently free. If such a system should prevail, it would deny to many a poor family the programs that can be enjoyed now by every viewer irrespective of his economic position.

It would place privilege above choice. Outstanding programs will be seen only by those who pay a monthly fee or a stipulated price per program. The national television audience will be split between the have and the have-nots, introducing a divisive element that could have far-reaching social consequences.

We never contemplated such a split personality for radio. Why, then, should we foster it in television?

Test samples of public opinion on this issue are running heavily against pay-as-you-see TV. A few months ago, the people in the Salinas-Monterey and San

Luis Obispo areas of California were polled as to their views on this issue. The verdict: 4 in favor, 5,002 against.

In order that pay TV will not be imposed on the American people against their will, I have introduced a bill similar to that proposed by Senator WILLIAM LANGER, and designed to "prohibit the charging of a fee to view telecasts in private homes." It reads:

Be it enacted, etc., That the Communications Act of 1934 (48 Stat. 1064), as amended, is amended by adding after section 507 the following:

"CHARGING FEES FOR VIEWING TELECASTS IN PRIVATE HOMES"

"SEC. 508. (a) It shall be unlawful for any person to impose or attempt to impose, either directly or indirectly, any toll, fee, subscription, or other charge, on the general public for the privilege of viewing television programs in private homes until such person has been so authorized by the Commission subsequent to the date of the enactment of this section.

"(b) The Commission shall not authorize or permit the imposing of any such toll, fee, subscription, or other charge referred to in subsection (a) of this section until it is authorized to do so by a law enacted after the date of enactment of this section."

SEC. 2. Subsection (b) of section 2 of the Communications Act of 1934 is amended by striking out "section 301" and inserting in lieu thereof "sections 301 and 508."

As you will note, the emphasis is on "viewing telecasts in private homes." This is a right that must not be restricted by any mercenary factor. In this right of choice, all Americans must be equal.

Therefore, I urge passage of protective legislation that will maintain our tradition of free television, and promote the democratic principles on which it is based.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, at the request of the chairman of the Committee on Banking and Currency, I ask unanimous consent that that committee may sit today during general debate.

The SPEAKER. Is there objection?

Mr. MULTER. Mr. Speaker, I object.

AWARD OF CROSS OF COMMANDER OF THE ORDER OF ORANGE-NASSAU TO HON. FRANCIS E. WALTER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill (H. R. 10147) to permit Hon. FRANCIS E. WALTER, Member of Congress, authorization to accept the award of Cross of Commander of the Order of Orange-Nassau conferred upon him by Her Majesty the Queen of the Netherlands.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

H. R. 10147

A bill to permit Hon. FRANCIS E. WALTER, Member of Congress, authorization to accept the award of Cross of Commander of the Order of Orange-Nassau conferred upon him by Her Majesty the Queen of the Netherlands

Be it enacted, etc., That the Honorable FRANCIS E. WALTER, Member of Congress, is

authorized to accept the award of the Cross of Commander of the Order of Orange-Nassau conferred upon him by Her Majesty the Queen of the Netherlands, together with any decorations and documents evidencing such award. The Secretary of State is authorized and directed to deliver to the Honorable FRANCIS E. WALTER any decorations and documents evidencing such award.

Sec. 2. Notwithstanding the provisions of section 2 of the act of January 31, 1881 (5 U. S. C., sec. 114), or any other provision of law, the Honorable FRANCIS E. WALTER may wear and display the decoration referred to in the first section of this act after acceptance thereof.

Mr. CELLER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I am happy to note that the Government of the Netherlands has bestowed this accolade of honor upon our distinguished colleague the gentleman from Pennsylvania [Mr. WALTER]. In accordance with his philosophy of immigration, he has been most painstakingly cognizant of his duties as chairman of the Subcommittee on Immigration of the Judiciary Committee. He has responded with expertness. I frequently am in disagreement with him but never doubt his sincerity. I think the work that he has done with reference to the activities of the Intergovernmental Committee on European Migration is exemplary. It is for that reason, I am sure, among others, that the Government of the Netherlands and its distinguished Queen has bestowed upon him this distinction.

I am very happy that he is the recipient thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING THE PUBLIC DEBT LIMIT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution—House Resolution 446—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9955) to provide for a temporary increase in the public-debt limit, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommend.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 446 makes in order the consideration of H. R. 9955, a bill to provide for a temporary increase in the public debt limit.

The resolution provides for the usual closed rule, waives points of order against the bill and grants 3 hours of general debate. The only amendments that may be offered are those amendments offered by direction of the Committee on Ways and Means, but such amendments are not subject to amendment.

Section 21 of the Second Liberty Bond Act provides a permanent limit of \$275 billion on the amount of the public debt. This bill provides that the debt limit shall be increased by \$5 billion, beginning on the date of enactment of the bill and ending June 30, 1959.

My colleague, the gentleman from Arkansas [Mr. MILLS], in presenting his request for a rule before the Committee on Rules, pointed out that following the request of the Secretary of the Treasury to raise the debt limit to \$280 billion, a public hearing was held. After hearing the testimony presented, the Ways and Means Committee determined that the full \$5 billion temporary increase in the debt limit should be allowed. The increase would provide for the immediate cash requirements of the Government since the cash balances have been very low. The increase would also provide a wider margin between the actual public indebtedness and the statutory limit which would give more flexibility in managing more efficiently and economically the fiscal affairs of the Government.

I urge the adoption of House Resolution 446 so the House may proceed to the consideration of this measure for which ample time for debate has been provided.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman explain to the House why this is a closed rule?

Mr. TRIMBLE. That is a little difficult to do in one sense and not very difficult to do in another. Revenue bills coming out of the Committee on Ways and Means are very complicated. Members of the Ways and Means Committee appeared before the Committee on Rules and convinced us that the bill should be brought up under a closed rule and a majority of the committee voted that way.

Mr. GROSS. Will the gentleman yield further?

Mr. TRIMBLE. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman saying this is a revenue bill?

Mr. TRIMBLE. In a sense it is. There is \$5 billion of revenue involved.

Mr. GROSS. If the gentleman will yield further, I still have no substantial explanation of why this bill should be called to the floor under a gag rule. Will the gentleman say what the representa-

tion was that caused the committee to report out a closed rule?

Mr. TRIMBLE. The only explanation I can give the gentleman from Iowa is the one I have just given, that the Committee on Ways and Means sought this kind of rule and the Committee on Rules on the showing made granted it.

Mr. GROSS. If the gentleman will yield further, can the gentleman tell me where we can obtain a copy of the hearings in connection with the bill?

Mr. TRIMBLE. In the Committee on Rules. I am not sure that the proceedings were taken down.

Mr. BROWN of Ohio. I think the hearings on the bill itself would be before the Committee on Ways and Means.

Mr. TRIMBLE. Mr. Speaker, I reserve the balance of my time.

Mr. COLMER. Mr. Speaker, it is with some reluctance that I find myself in opposition to both the rule and the subject matter of the bill which it makes in order.

First, as I think most of the membership know, I am never enthusiastic about closed or so-called gag rules. I opposed this type of rule in committee because I could see no justification whatsoever for it. The issue is a simple one here. It is merely a question of whether the debt limit should be raised and if so, how much. Certainly the membership should have an opportunity to offer amendments either cutting or raising the amount. Secondly, Mr. Speaker, I am opposed to the bill. As I stated to the House the other day, I do not think this is a time for hysterical reaction to the new phase of the Russian cold war—the sputnik. This is the justification urged for further increasing our debt limit.

I am sure we are all aware of the fact this country has the greatest national debt not only of the present family of nations, but in the history of the world. We cannot go on indefinitely increasing this debt without bringing about the destruction of our fiscal system and thereby pulling the pillars down on this Nation, the leader of the free world. Again I repeat that the Russian masters are following the Lenin doctrine of destroying this champion of the free peoples by destroying it from within.

Therefore, Mr. Speaker, I cannot in good conscience go along with this rule or the bill. One way to stop increasing the national debt is to stop increasing the debt limit.

The SPEAKER. The gentleman from Ohio [Mr. BROWN] is recognized.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I speak as a minority member of the Committee on Rules and rather reluctantly bring this rule before the House. Very frankly, and I think I owe it to the House to say so, I voted against this closed or gag rule when it was before our committee. I did so because I believed an opportunity should have been given for those members of the Ways and Means Committee who supported only a \$3 billion increase in the national debt limit, instead of \$5 billion to have their proposal voted upon. I now understand—and I certainly hope

so—that when a motion to recommit is made it will carry the \$3 billion figure.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MASON. I assure the gentleman that will be done.

Mr. BROWN of Ohio. I thank the gentleman very much. That arrangement will at least give the House an opportunity to decide for itself whether we should have a \$3 billion increase in the national debt limit, a \$5 billion increase, or none at all.

In further explanation of this present situation, and of my vote in the Rules Committee, let me point out that in the past similar bills have been brought up in the House to increase the debt limit, under gag rules whereby the House membership had no opportunity to express their full will, but only, as in the old German Reichstag, to vote "Ja" or "Nein" on the bill as reported. The bill would then go to the Senate, and in turn the Senate would reduce the amount by which the debt ceiling would be lifted to \$3 billion.

In the end, the Members of the House of Representatives are left looking like a lot of dumb sheep. So I am getting a little bit tired of these closed or gag rules, especially when the legislation to be considered is not a general revenue bill, but only to a measure containing one real issue in it, the amount by which we should increase the national debt.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman from Ohio for the position he has taken in the Rules Committee in his effort to give the House an opportunity to work its will upon this and other bills that have come before the House, particularly this bill. It is unthinkable that there should be a gag rule on one of the first measures of any consequence to be brought before the House in the present session.

Mr. BROWN of Ohio. Let me say to the gentleman that it is not a happy circumstance in which I find myself, or to disagree with the large majority of the Members of the Rules Committee, for all of whom I have great respect. But this is certainly not a general revenue bill. It is not made up of a great number of paragraphs, sections, ideas, and items dealing with many questions. It brings up only the question whether we want a \$5 billion increase in the national debt limit or whether we would rather go a little slow and perhaps keep the brake on the spenders a bit by saying: "We will vote a \$3 billion increase now to give you elbow room. Then if we have to increase the national debt limit later, because of any great emergency, we can do so."

Let me say further that I am reluctant, in my own mind, as to the wisdom or need of increasing the debt limit. I understand fully the position of the Treasury Department. I know something of the testimony that was given before the Committee on Ways and

Means as to the necessity for lifting the debt limit. However, there are two ways to balance our budget. One is by deficit spending; the other is by reducing public spending, so that we do not go over the present debt limit.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 3]		
Addonizio	Friedel	Passman
Allen, Ill.	Garmatz	Patterson
Andersen	Granahan	Pillion
Arends	Grant	Prouty
Barden	Gray	Rabaut
Belcher	Green, Pa.	Radwan
Bow	Halleck	Rains
Brownson	Hillings	Rodino
Buckley	Hoemer	Roosevelt
Budge	Jackson	St. George
Byrne, Ill.	Judd	Schwengel
Canfield	Kean	Scott, N. C.
Carnahan	Kearney	Sheehan
Chapfield	Kelly, N. Y.	Sheppard
Christopher	Knutson	Simpson, Ill.
Church	Lennon	Springer
Clevenger	Lipscomb	Staggers
Coflin	McCarthy	Taite
Collier	McCulloch	Thompson,
Cooley	McDonough	La.
Cunningham,	McVey	Tollfson
Iowa	Macdonald	Tuck
Dawson, Ill.	Merrow	Vursell
Dellay	Michel	Wainwright
Dies	Moore	Wier
Dorn, N. Y.	Morrison	Williams,
Dorn, S. C.	O'Hara, Minn.	N. Y.
Frelinghuysen	O'Neill	Zelenko

The SPEAKER. Three hundred and forty-seven Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INCREASE OF THE PUBLIC DEBT LIMIT

The SPEAKER. The gentleman from Ohio [Mr. Brown] is recognized.

Mr. BROWN of Ohio. Mr. Speaker, even at the risk of being misunderstood by some Members I want to repeat what I said in the Rules Committee, and that is that had a majority of the Members of the House voted during the past 20 years as I have voted, for economy and against certain great expenditures, our national debt would now be somewhere around \$100 billion instead of nearly \$275 billion. I realize, however, that is all water over the dam. I do, however, want to point out that there are means and methods which the Congress can and should follow to eliminate waste and extravagance in the spending of the public borrowed money which will be made available when the debt limit is raised. I refer to the recommendations of the first and second Hoover Commissions, some of which have been put into effect with resultant high savings of public moneys and by greater efficiency in the operation of some of the agencies

of Government; but there are still pending in this Congress, Mr. Speaker, a great many bills to put into effect the recommendations of both the first and second Hoover Commissions which, if enacted into law as requested, in many instances by the President of the United States, would sharply cut and greatly reduce public spending, and would result in such great savings as to perhaps make it possible for us to meet the increased cost of our space age national defense without the necessity of borrowing more money, or raising taxes. This is something to which we should give our attention in the days and weeks ahead, because the people of the United States are entitled to our best effort to operate this Federal Government in this new age on a sound basis. They are demanding we eliminate waste and extravagance wherever we may find it, and that we make every effort to get greater efficiency and economy in the transaction of the public business.

Mr. Speaker, as I said at the outset, I voted against the granting of this closed rule by our Rules Committee because, at that time, I had no definite assurance the House would be given an opportunity to vote on reducing the amount of the increase in the debt limit. Since that time I have been assured, as you heard stated here today on the floor of the House by responsible Members, that there will be an opportunity for us to vote upon a motion to recommit to reduce the increase in the debt limit to \$3 billion, rather than for the proposed \$5 billion increase now in the bill.

It is my understanding that we will have before us, when we finally come to vote upon this bill, at least three choices or ways to vote: One, of course, is to vote for the entire committee measure containing the \$5 billion increase in the debt limit; another is to vote for the motion to recommit, fixing the increase at \$3 billion; and, of course, finally just vote "No" on the whole measure. Therefore, under such circumstances, Mr. Speaker, I do not intend to oppose adoption of this rule; inasmuch as it will now be possible for the House to work its will under the limitations I have just mentioned and which I believe will give us all an opportunity to express our own convictions on the pending legislation.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE DEBT INCREASE BILL INVOLVES \$163 MILLION A YEAR IN UNNECESSARY INTEREST CHARGES AND APPROVES PRIVATE BANKS HAVING FREE USE OF \$3 BILLION OF TREASURY FUNDS

Mr. PATMAN. Mr. Speaker, I appeared before the Rules Committee and requested that committee not to give a closed rule on this bill, because I wanted

to offer an amendment. Other Members, I think, should also have the privilege of offering amendments.

I desired to offer an amendment that would save the Government a lot of money. Under existing law the Treasury can borrow directly from the Federal Reserve banks, up to \$5 billion. That law is in effect now. Under the amendment I proposed, if the Treasury went above the \$275 billion debt limit, that money would be borrowed, through exercise of existing law, directly from the Federal Reserve System. If the whole amount were borrowed in that way, it would save the Government \$163 million a year in interest charges. I asked the committee to give me an opportunity to offer this amendment, and to extend the time of debate, which was proposed to be 1 hour. The Rules Committee did not accede to my request but, instead, has given a closed rule, although it graciously extended the time of debate to 3 hours. We will have plenty of time to talk, but we cannot vote on anything except what has been described by the gentleman from Ohio [Mr. BROWN].

THREE OF THE FIVE BILLIONS ARE FOR PRIVATE BANKS

In this bill, Secretary Anderson has really demonstrated courage. He is a courageous man. He came before the Committee on Ways and Means and said that he wanted to keep \$3½ billion on deposit in the Reserve banks and in the private commercial banks. He laid it right on the line. He did not quibble about it. In other words, he wants the Congress to endorse his placing in the Federal Reserve banks and in the commercial banks \$3½ billion. That is one of the purposes of this bill. A half billion dollars of that, I think, is necessary. Secretary Anderson needs a half billion dollars in the Federal Reserve banks, as the Treasury has had in the past, but it is unnecessary to keep \$3 billion in the private commercial banks, because the people have lent that money to the Government. The Government is paying interest on it, and for the Government to keep it on deposit with the private commercial banks, at no interest—remember not one penny of interest does the Government get—I think is wrong. This does not serve any public-interest function. The money in the private commercial banks is beyond the issuance of a Government check; it is removed from that. It has to be brought into the Federal Reserve banks before the Treasury can issue a check on it. So I say this is going away out of line, to let the banks have from three to six billion dollars on deposit all the time, money that is costing the people 3 and 4 percent interest. In other words, it is costing taxpayers \$240 million a year on \$6 billion, or \$120 million on \$3 billion—that will be the average if this bill becomes effective.

FULL \$5 BILLION OF FEDERAL RESERVE AUTHORITY IS AVAILABLE

So the question is whether we will place our approval on an announced policy to keep \$3 billion, as an average, in the private commercial banks, on which the Government will receive no

interest but upon which the Government and the taxpayers will be paying interest at all times.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Texas knows that I have always been interested in the renewal of the act which provides that the Government can have \$5 billion outstanding at any one time. Can the gentleman from Texas tell me what use is presently being made of that ability to borrow money?

Mr. PATMAN. It has been endorsed by every Secretary of the Treasury. It has been endorsed by the Federal Reserve System and by the previous Under Secretary of the Treasury, Mr. Burgess. So, why should it not be used? Why should we take an action that will make this \$5 billion cost the Government an unnecessary \$163 million every year to carry this additional amount?

Mr. GROSS. What use is being made of that ability to borrow today?

Mr. PATMAN. Absolutely none; not one dollar's worth of securities are now held by the Federal Reserve System under the \$5 billion direct-purchase authority. It has been used substantially in the past.

HOW TO USE BANKERS' INFLUENCE TO KEEP THE DEBT DOWN

If, in authorizing this \$5 billion increase in the Federal debt we required the Treasury to raise whatever money they do raise under this, by selling the new securities direct to the Federal Reserve System, then it will be a lot less likely that the Federal debt will be increased unnecessarily. Under those conditions the banks would oppose increasing the Federal debt and help us hold it down. Thereby we could have the power and the influence of the bankers of the country working to keep the debt down, instead of working to increase it. But, as the bill stands, \$3 billion of this is for the private banks, remember that, my friends, and a vote for this bill as it stands is a vote to put \$3 billion in the banks, for free use by the banks, upon which the people are paying interest.

I think that Congress is going to have to face up to this problem of the Federal debt, and make some definite plan for paying it off. We ought to work out a sinking fund plan, with a definite schedule for reducing the debt when times are good. It should have been reduced substantially the past few years, during prosperous times.

Now to make perfectly clear how I think this bill to increase the ceiling on the Federal debt should be handled, let me read from the statement I made to the Rules Committee, explaining why we should have an opportunity to amend the bill. I said:

H. R. 9955 is to authorize an increase from \$275 billion to \$280 billion in the Federal debt limit. I hope that when this committee reports the bill, it will give it an open rule, so that amendments may be made on the floor of the House.

The amendment I propose to the bill is as follows:

"Provided, That any amount of the Federal debt in excess of \$275 billion is repre-

sented by securities of the United States held by the Federal Reserve System as a result of direct purchase from the Treasury of the United States."

There are several reasons for requiring the Treasury to sell directly to the Federal Reserve System.

HOW \$163 MILLION A YEAR WOULD BE SAVED

First, this will save the Federal Government about \$163 million a year in interest charges. In the past, the Federal Reserve System has charged the Treasury one-fourth percent on such securities. This rate is in contrast to about 3½ percent which the Treasury would have to pay to sell the new securities to the private banks or the public generally. Furthermore, it does not really matter what interest rate the Treasury may pay the Federal Reserve System. The System is owned by the Government, and it pays 90 percent of its net income back into the Treasury.

AMENDMENT WOULD USE TRADITIONAL METHODS

Second, the authority for the Federal Reserve System to purchase up to \$5 billion in securities direct from the Treasury already exists, and it is traditional and orthodox. Prior to 1935 this authority was without limitation. Since 1942 the limit has been \$5 billion at any one time; and the authority has run only for periods of 2 years. But extensions of the authority have been requested each 2 years, and each time the authority has been extended without objection. The present authority expires June 30, 1958, and the Secretary of the Treasury has already requested its extension for another 2 years.

Since 1954, however, the authority has not been used. At the present time, therefore, the full \$5 billion is available. But it is not likely to be used to any substantial extent unless Congress requires that it be used.

SAME PURPOSES OF DEBT INCREASE AND FEDERAL RESERVE AUTHORITY

Third, the authority for the Federal Reserve System to purchase securities directly from the Treasury has exactly the same purposes as the \$5 billion increase in the debt limit which the Secretary of the Treasury is now requesting. The Secretary of the Treasury has said that this increase in debt authority is not for the purpose of bringing about a general increase in the national debt, but for the purpose of giving him "elbow room" to manage a debt of about the present size. He has explained that the new authority is needed to smooth out the differences between the ups and down when revenues are flowing in and the requirements of the Treasury to pay its bills when due. He has given the same purposes for the Federal Reserve purchasing authority, as has the previous Secretary of the Treasury, and as has the Federal Reserve Board.

ADMINISTRATION OBJECTED TO COST-SAVINGS AMENDMENT

It is my understanding that the Treasury objected to my proposed amendment, principally on the ground that to sell securities direct to the Federal Reserve would be inflationary. Furthermore, the claim was made, I understand, that this authority for direct sales to the Federal Reserve was intended, and given, only for use in adjusting some unusual situations, and then on very short-term, day-to-day basis.

As for the argument that my proposal would be inflationary, this is a nonsensical argument for objecting to the amendment. If there were a question here, the question would be whether my proposal is more or less inflationary than each of the alternative methods which might

be used for selling the new securities. More particularly, the question would be whether my proposal is more or less inflationary than the method which is most likely to be used, which is to reduce required reserves of the commercial banks—a highly inflationary method.

INFLATION IS PHONY ARGUMENT

But in any case, there are at hand several methods by which the inflationary effects can be readily controlled, or offset, or even reversed, depending upon the precise degree of credit ease or restraint which the monetary authorities wish to achieve. And, furthermore, these methods will be used in any case. For example, if the \$5 billion in additional Federal securities should be sold without reducing required reserves of commercial banks, then the effects would be highly deflationary. Are we to assume that our monetary authorities would tolerate \$5 billion of deflation in the economic posture we are in today, without acting to counter the deflation?

Assuming that my proposal would be inflationary to an undesired degree, the same methods can be used to counter that inflation. For example, the Federal Reserve Board could raise required reserves slightly—or what is more realistic, it could refrain from lowering required reserves, as it seems about to do. Or another way of the inflationary influence could be offset is by the Treasury maintaining smaller deposits of its money with the private banks than it has been doing, and smaller than the unjustified amount which Secretary Anderson has stated the Treasury plans to maintain in the future.

HOW THE PURPOSE OF FEDERAL RESERVE PURCHASES WAS PREVIOUSLY STATED

As for the argument that the authority for the Treasury to sell securities directly to the Federal Reserve System was put into law for the purpose of day-to-day adjustments only, this argument is plainly refuted by previous statements of Secretary Anderson, by Chairman Martin of the Federal Reserve Board, and by the Honorable W. Randolph Burgess, formerly Under Secretary of the Treasury. Here is what these people have previously said the purpose of this authority is:

Hon. Robert B. Anderson, Secretary of the Treasury:

"The direct purchase authority is of important assistance to the Treasury in smoothing out the effect of short-run peaks in Treasury cash receipts and disbursements so that the disturbing effect of their flow through the banking system may be held to a minimum. Also, if the Treasury did not have the authority it would be necessary to maintain larger cash balances than is now the case.

"The authority is only used occasionally, primarily immediately preceding periods of heavy tax payments. However, it is an essential fiscal mechanism in avoiding unnecessary strains on the money market at such times and in handling the distribution and utilization of Treasury cash balances and holding them to a minimum. Any borrowing under the authority is, of course, subject to the statutory debt limit." (Letter from the Honorable Robert B. Anderson, dated January 3, 1958, to the Honorable BRENT SPENCE, chairman, Committee on

Banking and Currency, House of Representatives.)

Hon. William McC. Martin, Jr., Chairman, Board of Governors of the Federal Reserve System:

"This is an operating convenience under which the borrowing is always of a strictly temporary nature and occurs primarily in taxpayments periods. The authority has made it possible around such times for the Treasury to bridge temporary gaps between the Treasury's payment needs and its tax receipts, and in this way to smooth out some of the uneven flows of funds through the banking system and the money market that would otherwise result from the Treasury's operations.

"Avoidance, through this method of Treasury borrowing, of the sharp strains on the banking system that would otherwise arise from sudden drains on the Treasury's accounts with banks is equally as helpful to the Federal Reserve in carrying out its parallel responsibilities in the field of monetary and credit policy, as it is to the Treasury in administering its fiscal responsibilities effectively." (Statement of Mr. Martin before the House Banking and Currency Committee on February 29, 1956, on H. R. 9285, Direct Purchases of United States Obligations by Federal Reserve banks. (84th Cong., 2d sess. p. 15.)

Hon. W. Randolph Burgess, Under Secretary of the Treasury: "The primary purpose of this direct borrowing authority has been to help the Treasury and the Federal Reserve System work together in minimizing the disturbing effects on the economy of short-run peaks in Treasury cash receipts and disbursements, particularly around the time of quarterly income-tax payments. These short-run movements of funds are large, and precise estimates of their day-to-day patterns are often difficult. This direct borrowing authority is a useful mechanism for the Treasury and the Federal Reserve and its use has avoided unnecessary strains on the money market on a number of occasions." (Id., p. 2.)

I ask that the previous question be voted down.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. FULTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 9955, to provide for a temporary increase in the public-debt limit.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9955, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, we are considering today H. R. 9955, a bill reported by the Committee on Ways and Means last Friday afternoon after having hearings in public on Friday from about 10 o'clock until about 1 o'clock. During the course of the hearings the Secretary of the

Treasury made a statement, as well as the Director of the Bureau of the Budget, and the gentleman from Texas [Mr. PATMAN].

Let me say before going into an explanation of the bill and the reasons why I think we must pass it, that the suggestion made by the gentleman from Texas was discussed in the committee, though—and I am not violating any confidence in saying this—no one offered his suggestion in the form of an amendment, so that there was no vote in the committee on his suggestion. It was, however, gone into extensively and information was obtained from the experts who were there with us in the executive session of the committee for that purpose. I will have a little bit more to say about his proposal during the course of the general debate.

The bill before us, I say, is very simple in its form and in its purpose. The bill would permit the Secretary of the Treasury to issue an additional \$5 billion of Federal securities, over and above the permanent debt limit of \$275 billion, for a temporary period running from the date of enactment of the legislation until the end of the next fiscal year, June 30, 1959. The Secretary, in presenting his argument in behalf of the proposed legislation said that it was needed for three reasons:

First. The fact that cash balances have been running distressingly low.

Second. There is need for more flexibility, for more efficient and economical management of the debt.

Third. Even with a balanced budget there will still be large seasonal fluctuations in receipts which make operations under the \$275 billion limitation most difficult.

In the committee consideration was given not only to the suggestion made by the gentleman from Texas, but also to an amendment, made by a member of the committee, that instead of reporting the bill as introduced with a \$5 billion temporary increase, that we report the bill with a \$3 billion increase. The course of debate indicated to me, although I would not attribute any thought to any member of the committee, that it was generally conceded by all on the committee who had an opportunity to hear the testimony and who participated in the executive session that the situation at present is such that the Secretary of the Treasury cannot proceed to discharge the business before him within the debt limit presently existing of \$275 billion. Therefore the question primarily before the committee was one of the amount by which we should temporarily increase this limit, either \$3 billion or \$5 billion.

The gentleman from Ohio [Mr. BROWN], in discussing the rule, referred to the fact that it might be possible for the membership to vote on this question in connection with a motion to recommend. Therefore, in the few minutes remaining I should like to point out to my colleagues why I have reached the conclusion that the debt ceiling should be raised temporarily by \$5 billion rather than by any lesser amount.

First of all, let me tell you that when the gentleman from New York [Mr. REED] and I introduced the bills here in question, following the request from the Secretary of the Treasury that we do so, we said that we introduced the proposed legislation reluctantly because we share the thought of most Members and we do not like the facts and realities which put us in the position of believing that we cannot get by in the discharge of our responsibilities under a debt ceiling of \$275 billion, but we must recognize them for what they are.

Let me look then to see why I personally reached the conclusion that a \$5 billion increase is required at this time. In frankness, if we were legislating here only with respect to the remainder of this fiscal year I could perhaps hold out to the membership of the Committee that \$3 billion would suffice. I could perhaps have joined some of my colleagues on the Committee on Ways and Means who have said that we can get through the remainder of the present fiscal year with a \$3 billion increase. I believe that \$3 billion of additional authority might be sufficient in the present fiscal year. I fear, however, that if we do go along with the suggestion that it is said will be made maybe in a motion to recommit and pass the legislation with only \$3 billion of additional authority, we are being unmindful of the needs that will arise in connection with the coming fiscal year, 1959, and even more with contingencies that may arise then, or may well arise within the remainder of this fiscal year.

Let us examine some of those contingencies.

The President has submitted a budget that estimates a surplus of \$500 million for 1959, and which estimates that the fiscal year 1958 will end with a deficit of \$400 million.

Mr. Chairman, that this budget is predicated upon optimism is admitted. This budget is predicated its estimates of receipts for the remainder of the present fiscal year and for the fiscal year 1959 on a degree of optimism that I hope will be achieved, but a degree of optimism which, we must recognize, is not based upon circumstances which actually exist today.

First of all, let us look at the conditions which exist today. We are in what is commonly referred to as a downturn in economic activity by the press, one which began sometime last year and is still in progress.

The receipts estimated under the budget, for the remainder of this fiscal year and for the coming fiscal year, are predicated upon an upswing in the economy, a reversal of the downtrend during the course of this calendar year.

In order to reach the level of personal income which the economic report and the budget expect, it is necessary for us to have a total of \$10 billion more of personal income, on the average, in calendar 1958 than we had for the entire calendar year 1957. There are people who will say that these estimates of business revival—of economic upturn, are too optimistic. I am not saying they

are too optimistic. I do not know. But I want you to realize that the estimates of revenue in the budget are based upon optimistic assumptions for the year 1958 and not upon known conditions that prevailed at the time the budget was submitted to the Congress.

Even under these optimistic assumptions of what will happen, let us look at the budget itself which is presented to us for 1959, and said to be balanced. It calls for some \$2 billion more spending for 1959 than the budget did for 1958, but to offset a billion dollars of that additional spending we find that it is assumed that \$700 additional millions in revenue will flow into the Post Office Department upon the contingency that Congress will pass a 5-cent postage stamp in lieu of a 3-cent postage stamp.

Another \$300 million is added on the plus side to balance expenditures and on the assumption that the Congress will reduce agricultural supports to the extent of some \$300 million.

I am not saying what the Congress will do with these two items, but it is entirely possible, is it not, that instead of the budget's ending up with a billion dollars of more spending than the present fiscal year we may well end with \$2 billion more spending. That is one contingency that faces us, one that we must take into consideration when we determine what actual needs, respecting the debt limit, may be.

Let us look at the second point that the Secretary makes in justification for \$5 billion additional authority. He says that he wants elbow room within which to manage the public debt. We have always given to Secretaries, regardless of party, much more elbow room than the Secretary of the Treasury has had since this temporary increase that we last voted expired on June 30, 1957.

Mr. Chairman, there have been times this fall when the cash balance within the Treasury was so low as to cause the Secretary of the Treasury to wonder whether he could get by under the existing ceiling until Congress returned in January. Now, do we do anything worth while by holding down the debt ceiling in such a way that the Secretary of the Treasury does not have flexibility in the handling of the public debt?

In February of this year there will be some \$14 billions of securities coming due. It is only realistic to recognize that many of the holders of these maturing securities will want cash instead of a new issue. This means we must borrow money from somebody else in order to have the \$14 billion to pay for the securities that are coming due. In my opinion there should be enough flexibility under the debt limit to permit the Secretary of the Treasury to take advantage of such borrowing means as are in the greatest interest for the public, and not having to be caught in a position of having to issue securities for redemption purposes at a rate of interest that may not be in the best interest of the public or the Treasury. There should be enough flexibility in order that the Secretary of the Treasury can issue securities ahead of the maturity date if a better interest rate can be obtained in that way.

We do not save anything, Mr. Chairman, by putting the Secretary of the Treasury in a straitjacket. All we are doing is subjecting him to the issuance of more short-term securities, in lieu of long-time securities that are being redeemed. I would like to see more of our debt in long-term securities rather than having so much of it in short-term securities. We do not do anything in the interest of economy if we make it impractical to permit much of this debt to be transferred into other long-term securities.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. I regret the gentleman's committee did not see fit to make available to the Members the hearings that were held, whatever they were.

Mr. MILLS. Everybody who wanted to be heard by the committee was heard. We heard three witnesses who asked to be heard. Nobody else asked to be heard. It is not the practice of our committee to extend invitations to people to be heard before us. I am sure the gentleman knows that. I do apologize to the membership of the Committee because the hearings themselves are not available. I thought they would be available. It is to be regretted that they are not available, but frankly I am trying to do a job for your administration, if I may put it on that basis. I could make a whole lot out of this thing if I wanted to be political about it. I have no desire to be political, and I know my friend does not have any desire that I be political. I am trying to do this because the Secretary of the Treasury and the Director of the Budget have convinced me that the facts and realities are such that we are faced with a situation, and that we cannot, in the face of that situation, discharge our responsibility in the best interests of the national economy and our defense needs without going along with the case that the Secretary made.

I am not here because I like this thing. The gentleman from New York [Mr. REED] does not like it. We said at the time we introduced the bill together that we did not like this, but we wanted it clearly understood that, so far as we personally were concerned, this was no indication of any lessening of our personal desire that we economize in Government spending in every way we can economize.

Mr. GROSS. I am concerned with the flexibility of the taxpayers in the years to come, whether the youngsters of tomorrow are going to have any elbow room.

Mr. MILLS. I am no less concerned, but let me point out to the gentleman that you do not accomplish economies in Government reductions in Federal spending by maintaining the debt limit at its present level. We accomplish economy and savings by cooperative effort between the administration and the Congress to weed out those expenditures that are not essential at a given time.

We in our committee are in this position: I say to the gentleman from Iowa, we have nothing whatsoever to do, except as individual Members of Congress, with respect to appropriations. We know that

the Congress has made efforts to reduce the spending of the Government as indicated by what it did in the last session, but still the President tells us that in spite of what we did—and this is not criticism of him, it is the way the thing works—that we will actually spend more money as shown by his estimates in January 1958 than he thought it would be necessary for us to spend when he sent his estimate of expenditures in January 1957.

And, in addition, I call the gentleman's attention to the fact that there will still remain, unless we rescind them, a backlog of appropriations that amounts to \$70 billion as of June 30, 1958; that must also be taken into consideration. We are faced with it.

Now, will we give the Secretary of the Treasury the authority to carry out and discharge the responsibilities we have imposed upon him of managing the public debt in the public interest and of paying the bills of the Nation when they are presented for collection? That is the issue before us today.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Connecticut.

Mr. MORANO. I wish to compliment the distinguished chairman of the Ways and Means Committee for the nonpartisan position he has taken in this matter. I also wish to commend him for the very able presentation he has made so far today.

The gentleman has referred to this as a temporary increase.

Mr. MILLS. Yes.

Mr. MORANO. How temporary is this temporary increase to be?

Mr. MILLS. My friend from Connecticut realizes that we have gotten by in years past. I think we started in 1954 to grant a temporary increase when needed. The expiration date of the last temporary increase was June 30, 1957, the public debt was then \$275 billion.

We are hopeful, of course, that this is a temporary increase but I cannot assure my friend of what lies before us in the months ahead. I cannot assure my friend that the optimism that is the foundation of the budget, with respect to the predicted economic upswing, will prove stable; I cannot assure my friend that we will not have to spend more for defense than the present budget estimates. I cannot make predictions. I can but pray to God that our hopes are fulfilled.

Mr. MORANO. In another year you may be back before us asking that the limit be increased again.

Mr. MILLS. I can assure my friend that any action by our committee in reporting to the floor of the House such a request will be predicated only upon a change of conditions as we know them today, and because the \$5 billion will not be enough. And it will not be enough if the optimism of the budget with respect both to economic conditions and spending more for defense is not justified.

Mr. MORANO. Does the gentleman hold out any hope this debt limit is going the other way and be reduced?

Mr. MILLS. The Chairman of the Ways and Means Committee as well as the members of that committee are not in a position to tell the gentleman from Connecticut what the House and the Senate may decide is a fair amount for the Government to spend in the years ahead; nor can I tell the gentleman what the position of the executive departments may be with respect to those funds made available to them. As I said, the Committee on Ways and Means is not a spending committee.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I observe in reading the debate in this House in past years when we proposed an increase in the ceiling a reference to the deposit of Federal funds, I believe time deposits, in various States and the possibility they offered a basis of flexibility. Can the gentleman state as to the condition with respect to those deposits now?

Mr. MILLS. It is my understanding at the moment all the flexibility we have is approximately a half billion dollars—maybe around \$600 million.

Mr. JOHANSEN. And that includes money in the banks?

Mr. MILLS. No; there is some additional amount in the banks.

Mr. HERLONG. It is \$1,100,000,000.

Mr. MILLS. One billion one hundred million dollars is the correct figure.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from North Carolina.

Mr. BONNER. The gentleman from Texas [Mr. PATMAN] made a statement here today, and I had hoped that the distinguished chairman of the Ways and Means Committee would answer it in some manner, that leaves an impression there is a more economical way to handle this situation than is being presented to the House at this time.

Mr. MILLS. I am always reluctant to engage in debate with my friend from Texas because he has been here so many more years than I have. He has devoted himself studiously to the subject matter of monetary policy and what constitutes good monetary policy. But let me say that there is existing authority today, voted from his committee, for the Treasury Department to make available to the Federal Reserve and for the Federal Reserve to accept securities from the Treasury Department up to the amount of \$5 billion. My understanding has always been it was never intended when we granted that authority that it was to be used promiscuously. It was to be used in emergencies and then only on a sparing day-to-day basis. What the gentleman from Texas suggests, whether he intends it or not, would result in a rapid expansion of the availability of bank credit. That may be what he has in mind. I think it is a serious and grievous error for the Congress to superimpose its own thinking on the Federal Reserve Board and the Treasury Department as to when this should be done and the conditions under which it should be done, because if we bind them in an inflexible

position we run the risk of creating great danger in the too rapid expansion of bank credit.

Mr. BONNER. That is the position the Treasury Department finds itself in now.

Mr. MILLS. I have always been told that in handling the public debt it is highly inflationary to put very much of your public debt into banks or into the Federal Reserve System, that it is much better and in the best public interest to have that debt held largely by individuals.

Mr. BONNER. But the public will read the statement of the gentleman from Texas [Mr. PATMAN]. I think this debate is very wholesome.

Mr. MILLS. I agree with the gentleman.

Mr. BONNER. Do I understand now that this raising of the debt limit is a temporary matter and will only last so long?

Mr. MILLS. Let me be frankly honest with my friend from North Carolina and everybody else. We are presenting it to you as a temporary proposition to expire June 30, 1959. But, when debt is once incurred, it becomes permanent unless we can pay it back. Now, let us be perfectly honest about it. I hope it is temporary. The Secretary of the Treasury has expressed his hope that it will be temporary.

Mr. BONNER. This would only last so long?

Mr. MILLS. Yes. But, the gentleman knows, if we come to June 30, 1959, and we owe \$280 billion, it must be paid.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I certainly wish to compliment the distinguished chairman of the Committee on Ways and Means for the explanation he has made here today, and I certainly intend to go along with the legislation. But, there is one thing in my mind that I feel he should explain to the House. Inasmuch as the amount of the national debt has not increased, supposedly, since 1955 and since the fiscal year 1955 up through the fiscal year 1958, according to the President's own budget, the interest rate on the national debt has increased more than a total of \$4 billion, I would love for the gentleman to explain what brought about the increased interest payments to the membership of this House.

Mr. MILLS. If my friend from Kentucky will pardon me, I do not want to inject the matter of interest into this discussion, because we are thinking here in terms of the amount of securities involved and what is needed to permit their management.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. In connection with the act to which the gentleman from Texas [Mr. PATMAN] referred, providing for a \$5 billion cushion for the Treasury, is it not a fact that that was designed for short-term credit rather than long-term credit, but there is no prohibition in that

act which prevents it being used for long-term credit purposes?

Mr. MILLS. I would not for 1 minute deny the right that exists under existing law for the Treasury to sell securities to the Federal Reserve. What I find wrong with Mr. PATMAN's suggestion is the rigidity of the proposal.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I think there must be a misunderstanding about the \$5 billion that the gentleman from Texas was talking about. I think there may be a feeling here that that is borrowing authority outside of the debt limit, and it is not. That \$5 billion is within the present limitation of \$275 billion.

Mr. MILLS. That is right.

Mr. BYRNES of Wisconsin. And that makes a big difference.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I understand that every year for the past 4 years—at least I have been told many times—we have had a balanced budget. Now, if the budget has been balanced in the last 4 years, how does it happen that the national debt continues to go up?

Mr. MILLS. The gentleman recognizes that we granted a temporary increase in the debt limit three times since this administration came into office. That was to permit the elbowroom that I talked about here earlier today. There are times in the course of a fiscal year when you take in money at a more rapid rate than other times. But, the

gentleman knows that the expenditures by the Federal Government are a regular thing, month by month, week by week, and day by day, so that there will be periods of time when the Treasury is running into the hole because money is not coming in and expenditures are being made to meet due obligations. There are other times when your money is coming in much faster than expenditures are being made, and there will be very wide variations in the amount of the debt within a fiscal year.

Mr. ABERNETHY. But we still have a balanced budget.

Mr. MILLS. Yes.

Mr. Chairman, in completing my statement I would like to read into the record of this debate the history of the debt limitation as prepared by the Treasury Department.

Debt limitation under sec. 21 of the Second Liberty Bond Act as amended—History of legislation

Act—		
Sept. 24, 1917:		
Sec. 1 (40 Stat. 288) authorized bonds in the amount of.....		\$ 7,538,945,400
Sec. 5 (40 Stat. 290) authorized certificates of indebtedness outstanding (revolving authority).....		\$ 4,000,000,000
Apr. 4, 1918:		
Amending sec. 1 (40 Stat. 502) increased bond authority to.....		\$ 12,000,000,000
Amending sec. 5 (40 Stat. 504) increased authority for certificates outstanding to.....		\$ 8,000,000,000
July 9, 1918, amending sec. 1 (40 Stat. 844) increased bond authority to.....		\$ 20,000,000,000
Mar. 3, 1919:		
Amending sec. 5 (40 Stat. 1311) increased authority for certificates outstanding to.....		\$ 10,000,000,000
New sec. 18 added (40 Stat. 1309) authorized notes in the amount of.....		\$ 7,000,000,000
Nov. 23, 1921, amending sec. 18 (42 Stat. 321) increased note authority to outstanding (establishing revolving authority).....		\$ 7,500,000,000
June 17, 1929, amending sec. 5 (46 Stat. 19) authorized Treasury bills in lieu of certificates of indebtedness, no change in limitation for the outstanding.....		\$ 10,000,000,000
Mar. 3, 1931, amending sec. 1 (48 Stat. 1595) increased bond authority to.....		\$ 228,000,000,000
Jan. 30, 1934, amending sec. 18 (48 Stat. 343) increased authority for notes outstanding to.....		\$ 10,000,000,000
Feb. 4, 1935:		
Amending sec. 1 (49 Stat. 20) limited bonds outstanding (establishing revolving authority to).....		\$ 25,000,000,000
New sec. 21 added (49 Stat. 21) consolidated authority for certificates and bills (sec. 5) and authority for notes (sec. 18). Same aggregate amount outstanding.....		\$ 20,000,000,000
New sec. 22 added (49 Stat. 21) authorized United States savings bonds within authority of sec. 1.....		
May 26, 1935, amending secs. 1 and 21 (52 Stat. 447) consolidated in sec. 21, authority for bonds, certificates of indebtedness, Treasury bills and notes (outstanding bonds limited to \$30,000,000,000). Same aggregate total outstanding.....		\$ 45,000,000,000
July 20, 1939 (53 Stat. 1071), amending sec. 21 removed limitation on bonds without change total authorized outstanding of bonds, certificates of indebtedness, Treasury bills and notes.....		\$ 45,000,000,000
June 25, 1940 (54 Stat. 526), sec. 302, sec. 21 of the Second Liberty Bond Act, as amended, is hereby further amended by inserting "(a)" after "21." and by adding at the end of such section a new paragraph as follows:		
"(b) In addition to the amount authorized by the preceding paragraph of this section, and obligations authorized by sections 5 and 18 of this Act, as amended, not to exceed in the aggregate \$4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor, any such obligations so issued shall be designated "national defense series".		\$ 4,000,000,000
Feb. 19, 1941 (55 Stat. 7), amending sec. 21 to read "Provided that the face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$65,000,000,000 outstanding at any one time." Eliminates separate authority for \$4,000,000,000 of national defense series obligations.....		\$ 65,000,000,000
Mar. 28, 1942 (56 Stat. 189), amending sec. 21 increasing limitation to \$125,000,000,000.....		\$ 125,000,000,000
Apr. 10, 1943 (57 Stat. 63), amending sec. 21 increasing limitation to \$210,000,000,000.....		\$ 210,000,000,000
June 9, 1944 (58 Stat. 272), amending sec. 21 increasing limitation to \$260,000,000,000.....		\$ 260,000,000,000
Apr. 3, 1945 (59 Stat. 47), amending sec. 21 to read: "The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$300,000,000,000 outstanding at any one time."		\$ 300,000,000,000
June 26, 1946 (60 Stat. 316) amending sec. 21 decreasing limitation to \$275,000,000,000 and adding, "the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation"		\$ 275,000,000,000
Aug. 28, 1954 (68 Stat. 895), amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, temporarily increasing limitation by \$6,000,000,000 to.....		\$ 281,000,000,000
June 30, 1955 (69 Stat. 241), amending Aug. 28, 1954, act, by extending until June 30, 1956, increase in limitation to.....		\$ 281,000,000,000
July 9, 1956 (70 Stat. 519):		
Amending act of Aug. 28, 1954, temporarily increasing limitation by \$3,000,000,000, for period beginning on July 1, 1956, and ending on June 30, 1957, to.....		\$ 278,000,000,000
Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1946, to.....		\$ 275,000,000,000

¹ Limitation on issue.

² Limitation on outstanding.

³ Limitation on issues less retirements.

Mr. REED. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I join with my distinguished colleague and chairman, the gentleman from Arkansas [Mr. MILLS], to urge the membership of this distinguished Committee to support the passage of the bill H. R. 9955 to provide a temporary increase of \$5 billion in the statutory debt limit.

I want to say here that I deplore the fact that we have to do this, but I believe it is absolutely essential to do it if we are going to play fair with those who are managing our debt.

This legislation was requested by the administration to authorize a temporary increase of \$5 billion in the public debt. Under the legislation the existing public debt limit of \$275 billion would be increased immediately upon enactment of

the bill to \$280 billion for a period ending on June 30, 1959.

As the membership of this Committee knows, this legislation was recommended in the President's budget message to the Congress and in addition its enactment was ably supported by the distinguished Secretary of the Treasury and the distinguished Director of the Bureau of the Budget who appeared before the Committee on Ways and Means in public hearings on January 17, 1958. To report in summary form to the membership of this Committee on the substance of the testimony before the Committee on Ways and Means by the administration spokesmen I will state that the following points were made: First, the cash balance position of the Treasury is such as to render it difficult for the Federal Government to at all times meet its obligations as they come due; second, the

narrow margin between the actual public indebtedness and the statutory limit tends to deny the fiscal flexibility necessary for the efficient and most economical management of the debt; third, Federal receipts are seasonal in nature and do not uniformly correspond to the less seasonal character of expenditure outgo; and fourth, the increase in the debt limit does not constitute authorization for increased spending and the administration will maintain maximum vigilance in endeavoring to safeguard against any expenditure of public funds that is not absolutely essential to the public welfare and security.

In connection with the implication in the last point I enumerated I would like to state that the need for considering this legislation implies in effect a day of accounting for the traditional spenders in Congress and elsewhere in our Federal

Government. The need for this legislation today cannot solely be attributed to today's circumstances but instead reflects more basically the evils of the past 25 years of an ever-increasing Federal bureaucracy and the adherence to the fallacious philosophy that in peace as well as in war the Government can spend the taxpayer's dollar more prudently than the taxpayer can himself. We should all realize that as we increase the public indebtedness we are assuring to future generations an onerous tax burden that will not be of their own creation.

During the course of the public hearings on this legislation the membership of the Committee on Ways and Means made searching inquiry of the Secretary of the Treasury to determine whether or not a lesser amount of increase than the \$5 billion provided for in this bill would not be sufficient to deal with the current fiscal situation. Secretary Anderson convincingly made the point that the contingencies of our debt and fiscal management fully warranted and even necessitated the granting of the amount provided for in H. R. 9955. One of the contingencies cited by Secretary Anderson that I believe particularly impressed the committee was the prospect of the sudden need for fully exploiting a possible scientific or technological breakthrough in our defense effort that would occasion the need for this flexibility in debt management.

I am convinced that the Members of the House are sufficiently aware of the record of public service rendered by my distinguished chairman, the gentleman from Arkansas [Mr. MILLS], and myself to know that we would not be here today advocating this legislation if we were not convinced that its enactment by the Congress was essential to the welfare and security of our Nation.

Mr. Chairman, these matters probably have been mentioned, although I was called away and could not be here in the early part of the debate to hear the gentleman from Arkansas [Mr. MILLS]. However, there are a few points we should keep in mind. I do not believe anybody in the House would want a situation to arise where the Government could not meet its obligations, could not meet its payrolls. You can imagine the effect that either of these consequences would have on the country at large and on our banks. It would simply frighten the people to find their Government unable to meet its obligations.

I do not know whether this point was brought out or not, but in a transit strike such as occurred in New York where the payroll checks were held up, where money that should come in does not come and obligations are due and have to be met, you have a situation where the Treasury finds itself short a billion or two billion dollars. There are many other contingencies that could arise that would throw us into a rather chaotic situation. So we ought to listen to the Secretary of the Treasury, who has the responsibility of managing the public debt.

Another thing I want to call to your attention is this: It will not be long before there will be bills before this

body to increase foreign-aid programs. When you stop and think of the situation where our public debt is greater than the combined debts of all the other countries we are helping with foreign aid, I think it is time we stop and do something for our own people here at home. We ought to cut down on our liberality in foreign aid.

There are many other situations and contingencies that may arise. You will have the trade agreement bill up in this body. Think of the unemployment that is going on. In one case alone 17,000 people are out of employment because of the steel shipped in here by Japan. If our steel companies cannot meet the situation, what industry can? You will find that there is not a Congressional district today that is not suffering from unemployment because of the imports that are pouring into this country. Why are they pouring in? Because we have spent \$60 billion in one form or another in foreign aid, and that meant the retooling of factories in the various countries of the world that compete with us.

We have to do a little bit of thinking, as I said before, about our people here at home. They have been carrying this burden and have been very patient. We have to assume the responsibility of stopping this matter of pouring money into situations abroad which are not necessary, as many of you know who have been abroad. You know that foreign-aid money is not being wisely spent. You know that great projects have been promoted abroad that are of no use at all to these foreign countries and to the welfare of their peoples. It is just spending money, any way to spend money.

It has to be stopped, and there is only one solution to achieving tax reduction, just one, and that is to stop the spending. When we begin to slow down the spending we will find ourselves all right.

Also, Mr. Chairman, we will find ourselves picking up economic vitality when we enact legislation that gives a little tariff protection against all these shipments that are pouring into this country.

I thank you for your patience in listening to me. I think I have a record for economy since I have been in this Congress. I think all told I have voted against more than \$68 billion in unwarranted spending in this House. I think we would have been in pretty good shape if we had been a little more prudent in looking after our own people.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, first I want to say how proud I was of the demonstration put on by our new chairman, and the very forceful and very powerful argument he made for what I consider a rather weak program.

I also want to say that our ranking member did about as good a job as could possibly be done along that line, because in my opinion raising the debt limit is a very foolish move. There is not one of us that does not know that the spenders are in the saddle and have been for the last 15 or 20 years.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MASON. I cannot yield at this time.

When I say "the spenders are in the saddle," I mean the New Deal spenders and the Modern Republican spenders; and I am not throwing any aspersions upon the President. But I do want to say that if this House had not listened to the spenders in the last 15 or 20 years, our debt limit would not have been over \$100 billion. Instead of that it is approximately twice as much as all the countries of Europe put together owe; and it is time for us to call a halt. Refusing to raise the debt limit is one way to call a halt.

Mr. Chairman, the President has asked the Congress to raise the national debt limit from \$275 billion to \$280 billion. This simply means he is asking us to increase the borrowing power of the administration by \$5 billion so that his "spenders" will have that much more to spend if they feel they need to do so. It means the administration then will not need to live within its income of \$75 billion—the largest income Uncle Sam has ever enjoyed. It means also that the present administration has no intention of adopting the money-saving Hoover recommendations nor of reducing the foreign aid program.

I was one of the three members of the Ways and Means Committee who voted against this proposal in committee. I will be one of the minority to vote against it on the floor. As a Nation we can and should live within our income just as the great majority of the American people live within their incomes.

Mr. Chairman, if this Congress would just do two things—namely, adopt the Hoover recommendations, and stop giving out foreign aid—we could save \$10 billion a year. That would make possible a tax cut of \$5 billion, a payment on the national debt of \$3 billion, and we would still have \$2 billion extra for needed national defense.

Mr. FORAND. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, today we are confronted with the request of our President and Commander in Chief that we raise the national debt limit five additional billion dollars.

Today, I will cast my first vote to raise the national debt limit. Twice before have I voted on the issue of whether or not the debt ceiling would be raised, and each time I voted "no." I distinctly recall voting against raising the debt ceiling on July 31, 1953, and speaking on this floor against that proposal. On another occasion I voted against raising the national debt limit.

I well recognize the grave danger in my vote today. I am voting to raise the ceiling now only because I am of the opinion that our Nation faces the gravest dangers ever confronting the human race. I am voting to raise this ceiling on the premise that our leaders in both parties will realistically and immediately start a program to build intercontinental missiles, satellites, submarines, planes, and speedily accomplish scientific achievements that will insure the protection of our citizens, our Nation, and our philosophies, and will proceed to win this race against death that Russia is so

relentlessly waging. If our leaders will bend their backs and give their hearts and souls to this serious task, we can and will win this race.

Mr. Chairman, this serious dilemma does not stem from a shortage of scientists, nor from alleged deficiencies in our schools as some persons claim they have suddenly discovered. We have sufficient scientists who are dedicated. I do not share the view that it is necessary for us to restore any scientist to the job of developing weapons that will destroy the human race, when that scientist for many years associated with Communists and married the widow of a Communist.

I do not share the view that our high schools have fallen down on the job. On the contrary, I think that our schools have performed magnificently. I well understand that some of our fine young high-school pupils select easy courses when they have preferences as to what courses they will pursue. No school or teacher can be criticized for such decisions, however, because actually those are decisions that the parents should diligently work out with their children, to the end that they would aspire to take subjects that, although harder, would insure their making a contribution to their country and to the world.

Actually, I think that our public schools have no problems that a little more money from the State level would not cure. I believe that most of the respective States can furnish that money now. I am confident that if the Central Government could reduce the taxes a little in order that the States might use that released taxation for education, our schools would surprise everyone with the type of students they turn out.

No, Mr. Chairman, our dilemma does not stem from a shortage of scientists or from real deficiencies in our schools and teachers. The unpleasant truth is that this dilemma that we find ourselves in is directly traceable to the fact that some leaders in both of our major parties have for the past 3 years been engaged unwittingly in the social revolution stirred up by minority groups, not realizing perhaps that this social revolution was originally conceived by the Communists. For the past 3 years civil-rights legislation was designated as the No. 1 business of the present national administration and by some leaders of both major parties.

I sincerely hope that those leaders were listening in on television last Saturday night when Mike Wallace interviewed John Gates, a Communist and the former editor of the *Daily Worker*. If they were listening, they heard John Gates take the credit for this movement and give it to the Communist Party. John Gates affirmatively said the credit belonged to the Communist Party, failing only to say that the Communist Party started this agitation for the express purpose of dividing our people.

Mr. Chairman, this emergency is going to last a long time. We have no other alternative except to face this appalling fact. Anyone advocating all-out war now is a menace to the world. Any person with ordinary sense is bound to know that an all-out war would virtually destroy civilization. In order to prevent

this war, we must be stronger than our adversaries. Since we confront these awful truths, never has it been so necessary that for every dollar spent, we get a dollar's worth of implements or service. I sincerely hope, Mr. Chairman, that each and every person entrusted with the spending of defense money will understand that he is the guardian of that trust set up for the purpose of preserving everything precious to all humanity everywhere.

Mr. FORAND. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I listened to all the testimony that was presented to the committee on the proposed increase of the debt limit, and I am convinced that we cannot get along with only increasing it \$3 billion; I am convinced that the full \$5 billion increase contained in the bill is necessary; and I am speaking as one who is not given to loose action with the taxpayers' money. I think you know my reputation in that regard.

I know you have heard the question asked: What would happen in the event we do not pass this bill as it is drawn today? It simply would mean that the Government would have to postpone paying its obligations.

If we want to call a halt to the spenders—and I should like to call a halt to the spenders, my friends, but I believe the time to call a halt to the spenders is when the appropriation bills come up—then we should cut off or postpone a lot of appropriations.

To postpone the payment of our obligations would cause the world to say we were welshing on our obligations. We cannot do that; we cannot be in the position of postponing our obligations.

Some people have the impression that by failing to pass this bill we would save money. Again, that is not a factual belief. We would not save money, as a matter of fact it would cost us more money.

Testimony was given to the committee by the Secretary of the Treasury to the effect that the debt limit has forced the Government in the past 7 months to resort to more expensive financial practices. Let me give you two examples of how that has cost us money.

Last fall the Federal Government borrowed nearly \$2 billion through the Federal National Mortgage Association to keep this borrowing outside of the debt limit. This involved an extra cost of about one-half of a point in interest over the rate on direct borrowing, or a cost of \$10 million in interest on that one transaction alone.

Another example: Contractors were encouraged to use their own financial resources to finance work in progress rather than to use Government progress payments; because, again, the Treasury had to postpone its obligations to keep from going over the debt limit. Assuming that \$200 million payments were postponed for 6 months in this way, then the contractors would have to be compensated for the extra interest cost of the money which would be at least another \$3 million more than the cost of the same borrowing by the Federal Government.

So while it is easy to say: "Hold them down," we will not save any money by failing to increase the limit.

And then you heard the gentleman from Mississippi [Mr. ABERNETHY] ask the question: "Why does the national debt continue to be raised each year when we have had a supposedly balanced budget?"

The reason for these recent extensions of the debt limit is that the revenues come in most heavily in the latter half of the fiscal year and expenditures must be met evenly through the year. This means that the debt is higher in the winter months than at the end of the fiscal year.

While the debt at the end of the fiscal year has not increased significantly in recent years I would like to emphasize that the debt has been drastically reduced compared to our national ability to pay. In 1946 when the debt limit was set at \$275 billion the public debt stood at 132 percent of the gross national product. Presently the debt stands at only 63 percent of the gross national product.

I might say that the problem with which the debt limit is mostly concerned is the enormous backlog of appropriation authority. The budget document estimates that at the end of the present fiscal year there will be an accumulation of \$70 billion of unspent appropriation balances.

A few years ago that amount was about \$100 billion. The balanced budget that we have each year is a comparison of estimated cash expenditures as against estimated revenues. The national debt is our cash situation. We are continually spending money actually that has been appropriated in recent years. The debt limit, however, prevents the administration from suddenly spending, say, \$10 billion, from this backlog above the amount of planned expenditures in the budget document.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. If that be true then it is not correct to say that we have a balanced budget. If we have been appropriating more and spending more than has been taken in, then the budget has not been balanced.

Mr. HERLONG. There was a backlog several years ago of fifty-five to sixty billion dollars in the Defense Establishment alone which had been appropriated but not spent. That is down. We are spending what has already been appropriated.

Mr. ABERNETHY. I always understood that a balanced budget was the result of income equaling outgo, or vice versa.

Mr. HERLONG. We have two budgets. We have an estimated budget and an actual cash budget.

Mr. ABERNETHY. If we have two kinds of budgets, do they consist of one that shows the real thing and the other a political budget?

Mr. HERLONG. No. The budget presented to the Congress is an estimate, as the gentleman knows.

Mr. ABERNETHY. Still the budget has been balanced?

Mr. HERLONG. On the basis of estimated revenue as against estimated expenditures.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Michigan.

Mr. JOHANSEN. In view of this carryover of previously appropriated funds, then is it not true the decision as to whether we are going to create a situation requiring an increase in the debt ceiling is a decision that is essentially administrative rather than legislative, because the decision as to the amount and the rate of spending of this previously appropriated money is basically an Executive decision; is that not correct?

Mr. HERLONG. It is principally up to the Bureau of the Budget and the Executive to determine when that money is to be released, but they can release no more than they can obtain from the revenues and under the debt ceiling.

Mr. JOHANSEN. If the decision is made that we have to step up expenditures two or three billion dollars more, it is entirely believable we might be faced with a new and further request for raising the debt ceiling?

Mr. HERLONG. Yes. That is why I do not want to hamstring us with a \$3 billion increase at this time.

Mr. JOHANSEN. One of the parts of the problem that faces us is this vast carryover of previously appropriated funds?

Mr. HERLONG. There is always a carryover of previously appropriated funds. The necessary lead time on defense contracts and things like that causes it. That is going to continue to be at a pretty high level for some time.

Mr. JOHANSEN. The more that carryover the more the potential problem; is that not correct?

Mr. HERLONG. That is true.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, the addresses by the distinguished gentleman from Arkansas and the distinguished gentleman from New York have practically exhausted this proposal because those gentlemen have covered every phase of the problem.

However, there is one thing that should go in the RECORD at this time and that is this little bill itself to see what it does. It is the best argument in favor of its passage. The bill provides:

Be it enacted, etc., That, during the period beginning on the date of the enactment of this act and ending on June 30, 1959, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$5 billion.

It does not say how it is going to be spent or what is going to become of it. As a matter of fact, they already owe it. So, I say, that explains itself. We are doing today what we ought to do; just exactly what we ought to do, and I do not see how you can get around it. We have to pay, but we do not have to pay

forever. This is limited to the period ending June 30, 1959, and the limit is prescribed. It is not such a terrible bill either way, and I am glad that it is not, because I want to support it.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I rise to support this bill. At the outset I would like to commend the chairman of our committee, the distinguished gentleman from Arkansas [Mr. MILLS]. As our new chairman he has already demonstrated that he will give our committee excellent leadership, and I am sure the information he will bring to the House from time to time will be in accord with the facts. Keeping in mind the distinguished gentlemen who have preceded him as chairmen of the committee during my membership and with the greatest of respect to them, I do commend the gentleman from Arkansas to this body as a worthy successor to them.

Mr. Chairman, I am pleased to join with the gentleman and others who see fit to support this piece of legislation. I am really not troubled about it as some of my good friends are, for the principal reason that I do not see much in it beside the making certain that we do have the dollars to pay the bills, the bills being the obligations that you and I create. They are not bills that are created by somebody downtown. They are not bills that are created by some entity called an administration. They are bills that are created by the membership of the Congress. While it is true that the Democrat Political Party controls the House and the Senate and thereby is in the majority in creating these spending obligations and that we are now creating the means by which they are to be paid, it is not political when I say that this is legislation that has to be passed, a bill presumably for the advantage of all the American people. And, keeping that in mind, I just cannot see any real objection in following good financial policies and providing the money to pay the bills. Really, it is rather analogous to any one of us going to a bank to have the board of directors of the bank allow us a line of credit so that we may, as the exigencies of the situation require, and as we need the money, go to the bank and borrow according to our business requirements. That, I say, is what we are doing here.

Now, it was argued that if we are lax and permit too great authority in these respects, there might be an attempt to waste money; that the administration, recognizing that it has more borrowing power, might see fit to cause wasteful and useless expense. I am not troubled that way, for I repeat that the present situation is in the hands of the Congress.

Now, secondly, we are told by the Secretary of the Treasury and by the Director of the Budget that in view of the narrow cash margin within which the administration must operate today, the problem of the spending obligations coming in faster at certain times of the year in comparison with the tax dollars that are coming in from the taxpayers makes the need for this legislation particularly acute.

So I repeat, all we will do under the pending legislation is to provide an area within which, if the spending obligations are created by the Congress, the money may be secured at the lowest possible interest rates so that the security of the country, financial and otherwise, may thereby be maintained.

Mr. Chairman, it is to be regretted that debate on the legislation before this committee, H. R. 9955, providing a temporary increase in the statutory debt limit should be made the occasion by some of my Democrat colleagues for what might be characterized as uninspired politically motivated remarks about the conduct of our Nation's fiscal affairs. My regret stems from the awareness that this legislative measure presently under consideration is necessary to the economic and military strength of our Nation. To disregard facts in the manner some of my Democrat colleagues have done under these circumstances is to fail to bring to the consideration of this legislation the mature judgment and evaluation that it requires.

The partisan attack made by my Democrat colleagues requires answer and I will endeavor to answer the charges accurately and without distortion by examining the record.

When the present Republican administration assumed office the national debt was rising steadily under the impact of heavy Government spending. The Republican administration inherited a spending program created by the Truman administration that called for a \$9.4 billion budgetary deficit for the fiscal year ending in June 1953 and the public indebtedness exceeded \$266 billion. Moreover, the Truman budget submitted to the Congress in early January 1953 projected even higher Government spending with an estimated deficit of \$9.9 billion for fiscal year 1954. If the Truman proposed deficit had been allowed to occur in 1954, the public indebtedness would have been \$276 billion on June 30, 1954. In addition to these scheduled budgetary deficits that the Republican administration inherited from the Truman administration, the Republican Party also was confronted with \$80 billion in unpaid obligations and spending commitments that it had been bequeathed by the defunct Truman administration.

The advent of the Republican administration brought into being an immediate program to effectively cope with the chaotic condition that existed with respect to our Federal fiscal affairs. The proposed deficit of almost \$10 billion that had been projected by the Truman administration for fiscal 1954 was reduced to an actual deficit of \$3.1 billion. As a result the public debt under the Eisenhower administration on June 30, 1954, was \$271 billion instead of \$276 billion as had been planned by the Democrat Party.

The balanced budgets actually experienced in fiscal years 1956 and 1957 and the projected balance in 1959 mean that the debt is no longer rising, other than for seasonal fluctuations. The debt in June 1959 is expected to be substantially the same as the low point reached in

June 1957. The goals of a balanced budget and substantial tax reduction which the Republican Party established for itself in the pre-1952 election campaign have been in part fulfilled. That the Republican Party will effectively seek to further the realization of these goals is a firm commitment that the people of our Nation know will be honored when the security and economic well-being of our Nation will permit.

Mr. Chairman, I will at this time as part of my remarks include a summary of budgetary data covering the fiscal years 1946 through 1959 which I am confident will be of considerable interest in demonstrating the marked superiority of the Republican Party over the Democrat Party in handling our Nation's fiscal affairs.

Federal Government budget picture, fiscal years 1946-59

(In billions of dollars)

Year ending June 30—	Receipts	Expenditures	Surplus (+) or deficit (-)
1946	39.8	60.4	-20.7
1947	39.8	39.0	+8
1948	41.5	33.1	+8.4
1949	37.7	39.5	-1.8
1950	38.5	39.6	-1.1
1951	47.6	44.1	+3.5
1952	61.4	65.4	-4.0
1953	64.8	74.3	-9.5
1954 estimated ¹	68.0	77.9	-9.9
1955	64.7	67.8	-3.1
1956	60.4	64.6	-4.2
1957	68.2	66.5	+1.6
1958 estimated ²	71.0	69.4	+1.6
1959 estimated ²	72.4	72.8	-.4
1959 estimated ²	74.4	73.9	+0.5

¹ Budget document of outgoing administration, Jan. 9, 1953.

² Budget document, Jan. 13, 1958.

This table shows that in 3 of the 6 fiscal years under the Republican administration a budgetary surplus either has been realized or is projected. This record was achieved in the face of the greatest tax reduction enacted in the history of our Nation, in the amount of \$7.4 billion, which occurred at a time that the Republican administration was supported by a Republican Congress. Under the leadership of the Democrat Party only 3 of the previous 20 years produced budgetary surpluses, and two of these surpluses can properly be attributed to the Republican-controlled 80th Congress.

It is safe to say that the heavy burden of inherited spending commitments of the Truman administration were in large part responsible for causing the public debt to rise by an estimated \$5.1 billion during the first 6 full fiscal years of the Eisenhower administration. It should be noted, however, that this amount is substantially less than would have occurred if the Democrat Party had remained in power, and it is significantly less than the \$7.7 billion increase that occurred during the 6 previous years under the Democrats.

I would like to commend my distinguished colleague, the gentleman from New York [Mr. REED], for his able remarks on this legislation. Without doubt, the gentleman from New York [Mr. REED] stands as an outstanding example as a consistent advocate of fiscal responsibility and integrity. His wisdom

and judgment on fiscal matters have contributed greatly to the advancement of the national interest. It is therefore significant and should be heeded by us all that the gentleman from New York [Mr. REED] stated in his remarks today that—

The need for considering this legislation implies in effect a day of accounting for the traditional spenders in Congress and elsewhere in our Federal Government. The need for this legislation today cannot solely be attributed to today's circumstances but instead reflects more basically the evils of the past 25 years of an ever-increasing Federal bureaucracy and the adherence to the fallacious philosophy that in peace as well as in war the Government can spend the taxpayer's dollar more prudently than the taxpayer can himself.

Today we find those same traditional spenders in Congress that the gentleman from New York [Mr. REED] referred to being especially politically vocal in their criticism of the Republican administration.

On the subject of spending I presume that we can conclude that those members of the Democrat Party who today criticize the President for not proposing sufficiently high spending in his budget for fiscal year 1959 and who suggest it may be necessary to increase proposed spending by an additional amount in excess of \$2 billion are the same Democrats who only last year were claiming credit for having reduced the budget for fiscal year 1958 by amounts ranging from three to six billion dollars. By their panic induced about-face they are clearly demonstrating their undeviating allegiance to the Truman doctrine of military preparedness predicated on a feast or famine basis. It will be recalled that this Truman doctrine of totally neglecting our Defense Establishment in peacetime and then hysterically spending billions for hasty rearmament in wartime was responsible for our tragic lack of preparedness on the eve of Korea and our failure in the period from 1946 through 1952 to maintain an effective rocket and missile development program so as to keep our Nation well ahead of imperialist Russia in military research. Under the leadership of the Republican Party we have departed from the feast or famine Truman concept of national insecurity and have engaged in a soundly balanced preparedness program that finds our Nation the possessor of the most powerful military might in the world but still finds our Nation dedicated resolutely to preserving peace.

On the subject of spending, fiscal statistics clearly demonstrate the Republican superiority in promoting wise economy and gives conclusive proof to the indictment of the Democrat Party as being the profligate spenders. In the period of the Republican 83d Congress our Nation benefited from a sharply declining level of Federal spending from 1953 to 1955 and during the Democrat-controlled 84th and 85th Congresses there has been a sharp rise in the level of Federal spending. The budget reduction in the Republican phase was approximately \$10 billion and the total increase in the Democrat phase more than exceeded that figure. The increase in

the Democrat spending in the 84th Congress can in substantial part be attributed to the fact that the Democrats provided for nearly 200 new or increased programs based largely on the imposition of Federal aid programs on the States.

Again, for politically motivated reasons some of my Democrat colleagues in this chamber have undertaken today to talk about recession and unemployment. They have, in effect, charged the Republican administration with bringing about this acknowledged period of economic adjustment. These panicky exponents of rampant inflation who think anything less than a 5-percent annual increase in the cost of living is a recession have apparently forgotten the unemployment that existed in the short-lived period of peacetime during the Truman era when unemployment in February 1950 stood at 4.7 million. In evaluating the charges of these members of the Democrat Party it is well to look at the record with respect to the economic health of our Nation.

Under the Republican Party the American people have experienced a meaningful increase in spendable income, in purchasing power, and in personal economic security. The cost of living rose under the Democrat Party at an average increase of about 7 percent per year for the last 13 years that party was in power but has risen at an annual average of only 1.2 percent over the past 5 years under the Republican Party. With confidence in our Republican national leadership the business community is spending unprecedented sums on new plant and equipment providing more jobs for our American workers and increasing worker productivity so that labor's reward for its services is greater in terms of real income. The farmer who suffered from Truman inflation and Truman-induced regimentation of enforced surpluses has begun to realize a return to the economic prosperity that he so justly deserves. Farm income per worker in 1957 was \$1,920—an increase of \$209 over 1955. Farm prices have been rising moderately and more important the farmer's economic future is more secure and promising under the sound policies advocated by the Republican administration.

Our Democrat colleagues have also undertaken to comment on the interest cost attributable to the public debt. That increase in the rate of interest under the Republican Party has only been slightly in excess of three-quarters of 1 percent since the Republican Party came into power January 1953. It should be remembered that these interest payments are made to the holders of Government securities—the American people—and it is a matter of keeping faith with them that they should receive a fair interest rate on their investment. More significantly however is the fact that the interest cost was 2.1 percent of national income in December 1952 and was exactly the same percentage in December 1958.

Mr. Chairman, these are some of the facts that conclusively refute the unfounded criticisms expressed by my Democrat colleagues today. These facts demonstrate the fiscal realities of

the superiority of the Republican Party over the Democrat Party in conducting our Nation's fiscal affairs.

In closing let me express support of H. R. 9955 and urge its enactment as legislation that is in the national interest.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

INTEREST RATE INCREASES RECORDBREAKING

Mr. PATMAN. Mr. Chairman, in the last 5 years interest rates have been increased more than at any other time in the history of this Nation. It has been estimated by statisticians and people who have given some thought and study to the effect of interest-rate increases, that the American people will pay during the year 1958 on an average of \$10 billion more in interest charges than they paid in 1952. An interest rate may seem to be rather insignificant, but when it is compounded and added clear across the board it soon becomes very great in amount.

SIXTY DOLLARS PER CAPITA INCREASE

Let us see what \$10 billion per year means. If you divide that by the number of people in the country, about 172 million, you will find that the per capita increase is \$60. This means that during this year 1958 interest costs will be \$60 more per capita, than they would have been on a comparable or equal debt in 1952. That is \$300 per family of 5. That does not necessarily mean that every man, woman, and child has to be in debt, to be obligated to pay their part of the \$60. Interest charges go into the cost of everything that people buy, or that is bought for them, and into every service for which they pay. Every time the interest rate is raised on utilities, for instance, on electric lights, water, gas, telephone, transportation—the rates go up, and the consumers pay for it. Then, of course, when the people vote city bonds for any purpose the interest rates go up on these, and the cost is in the tax bill. Interest goes into every kind of bill, including the rent bill.

So there are many ways the people pay this \$60 per person. It is added on to everything they buy.

As a result of the tight-money high-interest policy of the last few years, high interest rates have been woven into our economy, into our debt structure. It will take 20 or 30 years—and on some debts 40 years—to get them out. There is no way to get them out, except to pay.

BANKS HAVE PROFITED GREATLY

Because of the high-interest policy, the banks have profited more than anybody. Under this administration, every action taken in the name of fighting inflation, has been an action that increased interest rates and made it harder to fight inflation.

HIGH INTEREST HAS CAUSED DEMAND FOR DEBT INCREASE

There were lots of ways to fight inflation, but in the last few years only one way was selected. That was a way that would give the money-lenders more interest. It is by reason of the banks' collecting all this high interest that our national debt is as large as it is today. If we

had the high interest out of this national debt, it would not be even as high as \$275 billions. But now we have a bill here to raise the debt limit from \$275 billion to \$280 billions. Why? Because of high interest.

THREE BILLIONS OF INCREASE TO GO TO COMMERCIAL BANKS FOR USE

In regard to this \$5 billion increase, Secretary Anderson was very courageous and forthright as to its purpose. He came right out before the Committee on Ways and Means, when testifying for this bill last Friday, said in fact, I want this increased debt so that the Treasury can keep \$3 billion in the private banks. In table 3 attached to his forward statement, this is set out in black and white.

Why should the Treasury keep \$3 billion in the commercial banks for them to use? The banks do not pay interest for that money. But the Treasury is paying interest on it. The Treasury has sold bonds, and collected money from the people, and the bondholders will collect the interest on those bonds, while the money—\$3 billion of it—is in the banks. The banks can lend this money out and collect interest, or invest it in the very bonds that the Treasury is paying interest on, and not pay one penny of interest to the Treasury. Why should we reward the banks this way?

FOR FEDERAL RESERVE

I like the banking system, and I am a friend of the Federal Reserve System. But there are certain changes I should like to see made. I should like to get the private bankers off the policymaking boards. I do not think the bankers should have any more right to fix interest rates, to help themselves, than the railroad owners should have a right of being on the Interstate Commerce Commission to fix freight and passenger rates, to help themselves. That is an exactly comparable situation. So, the first change I would make in the Federal Reserve would be to get the bankers out of the System, keep them from running the Government's regulatory System. They do not belong on there. Outside of that, and a few other little changes, the Federal Reserve System is fine.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. PERKINS. I certainly want to thank the gentleman for enlightening the House. May I ask him just how much the interest rate has increased? According to the figures I have taken from the budget, the annual increase in interest charges since 1955 is \$1,431,000,000. If I interpret the various budget figures correctly and I think I do, the increased interest on the public debt since 1955 through the current fiscal year, resulting from the tight-money policy of the administration, totals \$4,137,000,000. Supposedly there has been no increase in the public debt during that 4-year period, but the increased cost resulting from the high-interest-rate policy of the administration is alone sufficient to require an increase in the debt ceiling of \$275 billion. Why are we paying so much interest now on the same amount of debt?

Mr. PATMAN. Because the administration has deliberately caused the increase in interest rates. That is why. The service charge for carrying the national debt, caused by interest, has gone up from below \$5 billion to \$7,800,000,000. This is because many of the Treasury securities are short term, and each time they refinance it is at a higher interest rate.

Now let us make a comparison, for the purpose of bringing to your attention what this means. This national debt represents the cost of two major wars. One time we were told that men were going to sacrifice and going into the armed services at a very low wage. By reason of that we are also going to have low-interest rates, we then thought. People who would furnish the money to fight the wars were not going to be treated any better than the people who went into uniform. So, take 1952, and just before the amount that was paid to the veterans of all wars, for pensions, compensation, benefits, hospitalization, insurance, and everything else, was exactly the same as was paid in interest charges on the national debt. That was just before 1952.

But now this administration, while it is trying to lower benefits to veterans; take them off the pension rolls; and reduce their expenses here and there, it actively pursues policies to give the people who are furnishing the money, the bankers and the bondholders, more benefits. Their benefits have been increased from \$4.8 billion to \$7.8 billion for carrying the same burden—which is a 60-percent increase.

It will take us 25 to 50 years to get over this administration's high interest, hard money, policy. It will take us that long by conserving and saving and doing everything we can to pay the interest that has been unnecessarily imposed upon us. The administration, in fighting inflation by raising interest rates, is just as logical as using gasoline to try to put out a fire. Increased interest rates mean increased costs of production and distribution, and increased costs of production and distribution mean increased prices. So instead of deflating and fighting inflation by decreasing the cost of money—a major factor in all production—they have actually been feeding the flames of inflation all along. Do you need more proof? If you do, look at the record. For more than 2 years increased interest rates went into effect almost every month, and with each increase prices went higher. You might think that after trying such a program for 6 months, say, the administration would have stopped, looked and listened, and would have paid some attention to what they were causing; but no. They did not stop. They went on 6 months more, and prices went up further. Then they pressed even harder for another 6 months more, and prices went still higher. Yet they still claim they were fighting inflation. How hypocritical! It was just the opposite of fighting inflation.

FOR BANKERS MAKING A FAIR PROFIT

Now, my friends, why should we want to reward people who have caused this

interest rate inflation and who have profited by it so much? While the farmers were in a depression, small businessmen in a depression, home builders in a depression, even the railroads and now the automobile people in a depression, the bankers have been making plenty of money.

I like to see them make a fair profit. But I do not like to see them given special advantages. I like to see bankers have a fair profit, yes, and I am for a strong commercial banking system. I would like to see unit banking, instead of chain banking, I deplore the fact that there is a tendency to concentrate banking into a small number of banks. The banks should be controlled by local people in every town. I believe in a profitable commercial banking system; we have got to have it, but we do not want to permit bankers to have advantages that cause the rest of the people to suffer. We do not want to make everybody else suffer while giving the banks advantages that they are not entitled to receive.

So in this bill, Mr. Chairman, remember this, when you vote for a \$5 billion increase, you are voting to authorize Secretary Anderson to keep \$3 billion of that money in private commercial banks over the country.

When you vote for this \$5 billion, then you vote to put \$3 billion of it into private commercial banks for no good reason on earth, except that it helps the banks.

Some people will contend—I have heard them say so—that the banks render a service to the Government. Yes, they do, but they are well paid for that service. I do not want them to render any service free. But why should we put aside \$3 billion that the people are paying interest on, that the banks pay no interest on but get the free use of, to collect interest on? When you vote for this entire \$5 billion, you vote for \$3 billion to go to these private commercial banks for their use free of charge.

WILL RESERVE REQUIREMENTS OF BANKS BE RAISED?

I keep hearing that the Federal Reserve is going to lower the discount rate. May I warn you, Mr. Chairman, that instead of increasing the discount rate every time, in order to fight inflation, they should have raised reserve requirements of the banks. That would not have been a mandate to the banks to automatically, deliberately increase interest rates clear across the board.

Now, as the administration and the Federal Reserve start to fight deflation, they will say the country has to have more money. They will soon reduce reserve requirements of the commercial banks so that the banks can create more money to buy the bonds that will be issued under this increased debt ceiling. But they will want to keep interest rates high, so they will not do much about reducing interest rates.

The Federal Reserve officials are talking about reducing required reserves of the commercial banks, to where the banks will have only a 10-percent reserve, clear across the board—country banks, Reserve city banks, and central Reserve cities banks.

Do you know what that will mean? It will mean that the banks will have \$6,300,000,000 of reserve dollars—high-powered dollars, if you please—upon which they can expand loans and investments \$10 to every \$1. In other words, it will mean they can expand their loans and investments by \$63 billion.

If the ex-soldiers were to come in here and ask for a \$3-billion bonus, they might be run out with tear gas and bayonets. But when the bankers come in here and demand a \$63-billion bonus, that will be all right; that is the bankers. And they are demanding this now, as a 5-year program, to be accomplished step by step. Remember, I am telling you that is the bankers' goal. The bankers' goal, Mr. Chairman, is for the Federal Reserve to reduce reserve requirements to only 10 percent. They will be like the goldsmith of old, who could take \$1 of gold and lend \$10 worth of money on it, on the theory that people would very seldom come back and ask for the actual gold. That is our fractional reserve system. I am not against the fractional reserve system, as such; I am for it. I just want it used in the public interest and not stretched to the point where it is in the selfish interest of a few. That is all I am objecting to. The bankers, I am telling you, will pretty soon get a reduction in reserve requirements and every time you see a dollar reduction, it means they can make loans of from 6 to 10 times on every dollar of the money that is released from the present required reserves.

The banks should not have this \$3 billion of Treasury money that they will get under this bill, that is, \$3 billion that they will get the use of and pay no interest on.

You cannot justify it, Mr. Chairman; you cannot defend it. There is no way to defend it. This is the first time the question has ever been presented definitely and positively for the Members of the House to vote on. Personally, I am going to vote for the reduction to \$3 billion. The bill really should be \$2 billion. I would vote to reduce it to \$2 billion; then the Treasury would have plenty of money, but without keeping \$3 billion in the commercial banking system, which is what I object to. You cannot justify it. There is no rhyme nor reason for it. It does not make any kind of sense—common, book, or horse.

So I ask the Members, Mr. Chairman, to vote for the reduction.

Mr. REED. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I take this time, first, to express my support of this bill, H. R. 9955, and to commend the chairman of our committee and the ranking minority member thereof for their clear exposition of what this bill is all about.

Mr. Chairman, essentially this bill is a question of managing the public debt and is not in any sense involved in an economy proposition. My record is pretty well known, my views are pretty well known, in regard to appropriations. I can assure you from having studied this debt matter that actually a vote against this bill would be a vote against

economy because it would cost us money if we do not provide this necessary flexibility in the management of our public debt.

I want to say, however, that those who are using this occasion to point out the need for economy in our Government are doing so quite appropriately because we are now at the point where we are totaling up what we have done. A metaphor that illustrates the point is this: You cannot stop the progress of an elevator by grabbing hold of the elevator indicator to try to stop it. That would be the effect of grabbing hold of the amount of the Federal debt and saying that by holding on to that you are going to stop the progress of the expenditures. I do say, however, that every time these matters come before the Congress it is quite appropriate to call attention, and for all of us to pay attention, to the fact that this is what we have done. This is the result of the appropriating that we have been doing in the past. From that angle a review of the Federal debt serves a worthy purpose. In fact, there are those who say, "Why should we have a debt ceiling at all? What is the purpose? What purpose does it serve?" And there is some merit to that argument. I think one real purpose a debt ceiling serves is this, and a very good purpose. It requires the executive branch of the Government to come before the Congress periodically to account to the Congress for how they have handled the public debt. And, the public debt can be handled in many different ways. The distinguished gentleman from Texas [Mr. PATMAN] has his ideas of one way of handling the public debt. You can argue other ways as to how the public debt might be managed, but by coming before the Congress periodically the executive department has to account to the Congress for how the debt has been managed. So, that is one very good purpose, I submit, in having a debt ceiling.

Now, the second purpose is this: Why argue over whether it should be a \$3 billion or \$5 billion extension? I think there is a legitimate area for argument, because although you cannot effect economy through placing the ceiling on the debt at a particular point, you can give good warning and you can also force the executive, in a fashion, to be a little bit careful over the expenditure of the dollars. They have a little leeway in how they spend the money. So, it is very legitimate to go into the details of whether it should be three or five or ten billion dollars. In my judgment, and I think in the judgment of the Committee on Ways and Means, to most of us it seemed that \$5 billion was the more intelligent figure to grant to the administration at this time. Three billion dollars would probably be uneconomic. Do not think for a minute that by voting for \$3 billion you are casting an economy vote. The issue is simply one of good debt management.

Now, to the fourth item here, the suggestion that the gentleman from Texas has made of managing the public debt through requiring or setting up a provision that some of those additional amounts be generated through the Federal Reserve banks. In essence that is

no more than printing press money when you analyze it, because throwing these vast new sums into the Federal Reserve System would simply generate that much additional credit. The Federal Reserve banks already have adequate authority to provide any additional bank reserves which may be required to insure a sound financial structure. This proposal would constitute an unnecessary interference with the Federal Reserve System in the performance of its duties to influence the Nation's money supply in a way that would stimulate neither inflation nor deflation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. The gentleman had about 20 minutes to explain his theory, and I would like to take 1 or 2 minutes to point out why it is unsound.

The first reason that I am pointing out, throwing these funds into the Federal Reserve System, in effect amounts to printing press money. It generates additional credit in the economy and so interferes with the Federal Reserve's present powers that they do have to adequately provide additional money if they see fit.

The second point I would like to make is in answer to the points made that the Government creates the interest rate. Actually, the interest rate is an economic phenomenon and not a governmental phenomenon. The Government, because it is a big debtor, has a considerable influence over this economic phenomenon, but let us not forget that essentially the Government is the tail and the private economy still, thank goodness, is the dog in our society. Just to compare the differences, our private debt is \$436 billion as opposed to \$275 billion Federal debt. So, it is not the Government that is doing this. That is essentially what the market is.

And I want to call attention to some of the economic factors which create this tight money, which is really the basis of this problem we are discussing here. We have been growing at an average rate of about 3½ percent in our gross national product each year. Today it requires about \$14,000 of investment to employ one man.

We have about 1 million men coming into the labor market each year, new employees, new men for whom we have to have jobs. If you multiply that figure by \$14,000 per man, then you get \$14 billion of new capital that we need each year in order to go ahead in this great expanding economy of ours. That money must come from somewhere and it comes in essence only from the savings of our people.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. Permit me to make one more point on this and then I shall yield to the gentleman.

The other factor lying behind this tight money situation comes from the effect of inflation on the capital accounting system of the private sector of our economy. If you put a machine on your books in 1940 costing \$100,000, to replace that machine 10 or 15 years later, in 1956 or 1957 would take \$200,000—the identical machine. That is because

of inflation. But under our tax structure only \$100,000 is allowed to be retained in earnings for replacement. So that because of inflation we are now having to dig into our pockets for additional savings, almost double in amount, to replace our capital equipment. That is the other fundamental reason behind the tight money situation, which is economic and not governmental.

Mr. PATMAN. Mr. Chairman, will the gentleman yield now?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman said that the exercise of this \$5 billion authority would be like printing press money.

Mr. CURTIS of Missouri. Yes, sir.

Mr. PATMAN. How does the gentleman account for the fact that it was endorsed and recommended under the administration of Secretary Humphrey? Under Secretary Burgess endorsed it.

Mr. CURTIS of Missouri. I do not think he did.

Mr. PATMAN. And Mr. Martin, Chairman of the Federal Reserve Board, as well as Mr. Robert B. Anderson, our present Secretary of the Treasury, endorsed that method of getting \$5 billion from the Treasury. I have the testimony and I shall put it in the Record.

Mr. CURTIS of Missouri. I wish the gentleman would. I think the gentleman is in error.

One final point so that we do not becloud the issue and get to thinking in terms of big banks and little people. There is some testimony in the hearings before the Senate Committee on Finance in June and July of 1957 to which I wish to refer. This comes from the Secretary of the Treasury. On page 12 of the hearings there is a list showing who gets the interest paid on the Federal debt. Incidentally, that interest is \$7 billion.

One billion four hundred million dollars represents payment of interest to social security funds.

Six hundred million dollars of the public debt was received by the Federal banks; 90 percent of that comes back to the Federal Treasury.

One billion four hundred million dollars went to the commercial banks. That is the point that was made.

Six hundred million dollars went to other financial institutions which are mostly insurance companies and savings banks.

Five hundred million dollars went to corporations.

Four hundred million dollars went to State and local governments and about \$400 million to nonprofit institutions.

The remainder, about \$1.8 billion, the largest single segment of the interest on the public debt, went to individuals either in the form of cash payments or accumulated interest.

So let us keep this on the proper plane.

Mr. TEWES. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. TEWES. Because the gentleman who has the floor is known as one of the more solid thinking economists, I should like to ask him this question with regard

to the remarks of the preceding speaker who is a notorious advocate of greater money. Is it not a fact that under his policy of greater money an inflationary effect is created, so that while the interest rates nominally under his policies remain the same, the individual is required to work harder and longer to pay that interest rate?

Mr. CURTIS of Missouri. There is no question that it produces inflation. I suggest if the gentleman from Texas thinks that we need more credit throughout the country, that he seek to do that through his own committee, the Committee on Banking and Currency, instead of trying to do it through the Committee on Ways and Means, which is concerned solely, as we are here, with debt management.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, listening to this debate makes me believe that it might be appropriate if we all asked ourselves, "Why do we have a statutory debt limit? Unless it is to serve some useful purpose, would we not be wiser to repeal it than be wasting time with amendments?"

If there is a purpose, it seems to me we are obliged to see whether this particular bill before us is in aid of that purpose or whether it would thwart that purpose. The gentleman from Missouri [Mr. CURTIS], who preceded me, suggested that one of the reasons for the limit was so that we could reexamine the operations of the Secretary of the Treasury as far as management of the debt is concerned. Frankly, Mr. Chairman, that can be done much more expediently without wasting the time of the whole Congress. We have committees that can constantly be keeping the operations of the debt management under surveillance, under check, under investigation. If the statutory limit on the borrowing authority of the Treasury has any purpose to serve, I submit it is to put a brake or a restraint on Government spending. It will not provide that restraint, however, if we continue to raise the limit without sound justification for every dollar of increase.

Let it be remembered that there is only one basic way in which the Government can pay its bills, and that is through taxes. Our concurrent expenditures will be met either out of current revenues or a combination of current revenues and interest-bearing deferred taxes, which is what borrowing actually is. In authorizing additional borrowing, what we are in effect doing is authorizing additional taxes on future taxpayers. As a tax bill, it should require at least the same amount of justification as would be required if we were now considering a tax-increase bill, and that is all I am asking. There is no sound justification in my judgment for the full \$5 billion increase provided by this bill.

What is the justification that has been presented to us? Only that the present ceiling in view of our cash position and the demands that will be made upon the Treasury make it difficult to conduct day-to-day fiscal management affairs. Read the second page of the committee

report, where there is reiterated the justification made by the Secretary of the Treasury, and that is what you will find is the fundamental justification made by the Secretary.

I concede there are difficulties, but that does not justify making it easy for the Federal Government to get started on another period of deficit financing. Part of the trouble we are in today is because Congress has made it too easy, too easy for itself and too easy for the executive branch, to increase spending and then pay the bills with borrowed money. We have been postponing the day of reckoning. It is time that we make that process of postponing and borrowing more difficult instead of easy. I will agree with all of my friends who have spoken that there is no gimmick that can force Congress to economize. Economy will come only when there is a will on the part of the Congress to do so. I think that today would not be too soon to evidence that will. We can do so by being cautious in our approach to this piece of legislation.

If we are having fiscal management difficulties, there are two ways to get out of it. Raising the debt limit and borrowing more money is only one. The other way is to cut down our expenditures, and I respectfully suggest that instead of taking what always appears to be the easy way out, for a change we take the hard but prudent way and do something about cutting expenditures. If we vote for this increase I do not see how you can expect to make any savings. I am not talking about savings by the Executive. I am talking about savings and frugality by the Congress.

There are those who attempt to put the blame for our present fiscal situation upon the executive branch. Make no mistake about it. The responsibility for spending rests right here in the Congress. No money can be spent by the Executive unless the Congress first authorizes the spending and then appropriates the money. Because the Congress has appropriated excessively in the past, and we are today spending at a rate which puts our cash balance at an extremely low level, I think there is a demonstrated need and justification has been presented to borrow some money on a temporary basis in order to get us through the year ahead.

Let me give you the facts and figures as presented to us. These are not figures picked out of the air. They are figures presented to us by the Secretary of the Treasury and the Bureau of the Budget. We have been operating with a cash balance of about \$4 billion. The projection of expenditures and revenues during the next year, using the Treasury and budget figures as presented to us, shows that this balance will be dangerously reduced in the coming months. For example, at the worst point in the next 18 months, December 15, 1958, going on the assumption of the budget, it is expected that the public debt will reach about \$277 billion and that there will be at the same time a cash balance in the bank of \$3,500,000,000. In other words we will be required to borrow \$2 billion more than the present debt limit in order

to meet the demands that will be made upon the Treasury. Also, because of certain problems inherent in refinancing the public debt, the debt outstanding at any given time is always somewhat short of the ceiling. I think therefore there is justification for giving them this leeway to operate and to take care of that situation. I think justification has been presented for an increase in the limit to \$278 billion, or an increase of \$3 billion. In other words, if we increase the debt by \$3 billion, we will have on hand at the low point, the lowest point in the next 18 months, as presented by this statement—and I regret that the table No. 3 in the Secretary's statement was not put into the committee report. To me that was the most important table presented by the Secretary. If we increase the debt by \$3 billion, we will have on hand at this low point, December 15, 1958, \$3.5 billion in cash, and unused borrowing authority of \$1 billion, or a total of \$4.5 billion.

I might add there is another \$500 million in the free gold which the Treasury can also fall back on if necessary. In my judgment that is not too difficult a situation for the Treasury to live with. They have demonstrated during the last 4 months that they can live with that kind of a balance. Why then should we give them more?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. I have this question in mind: Would the gentleman not admit that this table 3 is based upon the projections which are contained in the budget including the optimistic approach with respect to revenue at that period of time?

Mr. BYRNES of Wisconsin. I agree with the gentleman 100 percent; and that, I think, is all we should act on at this point, an amount based on what is proposed to us as the official picture for the future. If there is a change in the picture this Congress is going to be here.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BYRNES of Wisconsin. I know that the gentleman believes that they ought to have money for contingencies or elbow room. If you are going to do that why have any limitation and give them full elbow room? Unless the limit is going to provide some kind of a restraint, then the debt limit will serve no real function as far as the monetary system and fiscal affairs of this country are concerned.

In cutting the \$2 billion all I am asking is that you remove the fat from the request, and I am not removing all of the fat, because, according to the table furnished by the Secretary, future requirements are based on having \$3.5 billion on deposit in banks plus \$3 billion for contingencies.

I suggest, Mr. Chairman, that \$1 billion for contingencies would be completely adequate and still not create difficulties or such severe difficulties that we could not live with them. If all of the difficulties are to be removed then we might just as well repeal the law and let

the sky be the limit. As far as I am concerned there has not been any restraint on spending. If the statutory debt limit can furnish such a restraint, then let us make sure it does so. It will be my purpose, Mr. Chairman, when the proper time comes, to offer a motion to recommit with instructions to reduce the amount of the increased debt limit in this bill from \$5 billion to \$3 billion.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. I want my friend from Wisconsin to know that I share the thought he has expressed. I support the need for greater economy in areas where economies can be made. But will not the gentleman admit that the debt ceiling itself cannot result in the accomplishment of economies that must be made with respect to appropriations directly? And will not the gentleman further admit that the purpose that can be served by a debt ceiling is to prevent the administration or executive departments from bringing about a radical change with respect to spending funds that have been made available? And that no material increase of any appreciable extent could occur under the \$5 billion ceiling that is suggested by the bill?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman a minute of my time.

Mr. BYRNES of Wisconsin. I will agree with the gentleman's first premise that there is no gimmick whereby we can guarantee or force Congress to economize. Congress is either going to do it, or is not going to do it; it has control of the purse strings.

I would disagree with the gentleman that this whole operation is a matter of executive control, and that all we are doing is to exert pressure on the executive, or to make sure they do not change their spending policy, because spending policy fundamentally lies right here in the Congress. My only thought is that I believe this debt ceiling, if there is any purpose for it, should serve as a warning signal, to act as a restraint and make us stop and figure out where we are going. I do not think we can project our thinking far enough into the future to say how much we need, but I feel that \$3 billion will take care of it as far as we can see at this time.

Mr. MILLS. So far as this fiscal year is concerned I might agree with the gentleman, \$3 billion takes care of it; but we are legislating here for an 18-month period.

Mr. BYRNES of Wisconsin. But you are basing it on the President's budget and estimates, and those estimates do not show a need for a \$5 billion increase. The figures show a need for only a \$3 billion increase.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MILLS. Mr. Chairman, I will yield the gentleman an additional minute of my time because I wanted to make the point that this \$5 billion is, as the gentleman says, based upon the budget situation. But within that situation the

gentleman recognizes fluctuations occur, pointing to the fact that on December 15 of this year under the most favorable conditions it is thought that the debt might go to \$277 billion in order to have \$3½ billion on hand.

Mr. BYRNES of Wisconsin. Plus the \$3 billion for fluctuations and contingencies.

Mr. MILLS. The \$3 billion additional under the bill. What I am trying to point out is this: We can still exercise this control over any radical change in spending within the \$5 billion just as we can within the \$3 billion and at the same time take care of any contingencies that might arise on the basis of the optimism of this budget.

Mr. BYRNES of Wisconsin. We give them \$5 billion, then we keep going and there is no requirement that Congress take another look to see where we are going and why.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, we have listened to the many fine arguments made and many fine distinctions drawn by Members in reference to the bill before us. It seems to me that the very fine arguments that have been made and the very thin lines of distinction that have been drawn would be more applicable under normal conditions than those that face our country and the world today.

The basic question that I consider involved in this bill, and the reason why I am going to vote for it—I regret that the ceiling is not higher—is the world situation that exists. You and I know that much of the freezing or a considerable part of the freezing of the last 3 or 4 months is probably due to the fact that our Government is very close, and has been, to the debt limit. That has brought about restrictions through the freezing of appropriations and if a flexibility had existed some such action would not have been taken.

Our national debt now, as I understand it, is over \$274 billion. The last amount I heard was \$274.3 billion. We have read in the newspapers of the artificial means taken by the administration through the sale of FNMA securities and others to get enough money so that they could carry on at least the minimum functions of government during the past 3 or 4 months.

As we project our minds into not only the future but as we analyze the present, we realize that there is an extreme emergency that exists. The responsibility rests upon those of us in elective positions in the Congress and in the executive branch, the President, Vice President, and other appointed officials, to devise those policies which will be for the best interest of our country and in carrying out those policies to make such appropriations and expenditures as will assure success for the safety of our country.

The basic proposition that appeals to me is the national defense angle. It is vitally imperative that we vote this increase. If we do not do so we might place our country in a straitjacket. I

think it is too great a calculated risk for me to take. I think it is too great a calculated risk for any other Member of this body to take. The question of \$3 billion or \$5 billion should not enter our minds. I think if we are going to err in judgment, we had better err on the side of strength than on the side of weakness, on the side of safety than on the side of uncertainty. I think we had better err on the side of greater flexibility in meeting the immediate task that confronts us than on the side of further restriction. If the majority party in this body and in the other body were playing politics, we would only put through an increase of \$3 billion or \$2 billion and then compel the administration to come back for more. But, I do not think that we can afford to play politics in connection with the situation that exists in the world today and which faces us. I think the \$5 billion temporary increase is the wise course and the wise step for us to take, enabling flexibility for the next 18 months, rather than for a limited period of 6 or 8 months and then compelling the administration either to come back or be forced to make sharp restrictions in expenditures that are necessary for the best interests of our country. As a matter of fact, I am of the opinion that the administration should have made its recommendation before the last session of Congress adjourned. I do not make that statement in any severe critical way but as an observation of my own opinion. I realize that a new Secretary of the Treasury came in, and being human he probably did not want one of the first actions that he took to constitute recommending such a major one as an increase, even temporary, in the debt limit. However, this is a matter that faces us now. The argument of my friend from Wisconsin and the argument of my dear friend from Texas all would be interesting and probably pertinent another day and under different conditions. But, to me, my mind is made up on the importance of the passage of this bill in connection with the future national defense of our country, and I think from that angle it is wise for us to vote for the \$5 billion rather than take any chance on any lesser amount.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, at the outset I should like to say the gentleman from Arkansas [Mr. MILLS], the chairman of the Committee on Ways and Means, that I agree with him that this matter should not be approached on a partisan basis, because it has been my observation that Democrats and Republicans share in this staggering burden of Federal debt, and Democrats as well as the Republicans likewise share in paying Federal taxes. So, this transcends any political consideration.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am delighted to yield to my friend.

Mr. MILLS. All of us are also concerned about the welfare of the United States, regardless of party, too, are we not?

Mr. GROSS. That is right.

Mr. MILLS. Sure.

Mr. GROSS. But I do not agree that because we have gone from one emergency to another, some real and some synthetic, in the 10 years I have been in this House that we should pass this bill.

Someone spoke of a printing press bill or printing press money a little while ago. Let me call your attention to the fact that the bill that others of you voted for in the House, to provide a \$5 billion cushion for the Treasury, that is, the Treasury could have \$5 billion outstanding at any one time, was described by the late Senator Taft of Ohio, as a printing press money bill. I am one of the few that consistently opposed and voted against it. When you start talking about printing press money just remember that a number of you have voted several times for a printing press money bill to the tune of \$5 billion.

Mr. Chairman, let it be clearly understood by those who support this bill that they are simply adding more weight to the millstone of debt and inflation that already hangs heavily around the necks of the American people.

It is interesting to note that prior to World War I, public debt could be created only by an act of Congress. Prior to July 1, 1914, there could be no debt authorized by the Government except by act of Congress, which also had to specify the purpose for which the debt was created.

The statutory limit was first fixed at \$11.5 billion. If my information is correct, only twice in the years that followed has there been a reduction in the debt.

In 1953 the administration asked Congress to raise the debt limit from \$275 billion to \$290 billion. The House approved this increase by passage of H. R. 6672 on July 31, 1953. I voted against it.

However, when the bill went to the other body, and despite pleas of the administration that without a \$15 billion increase the Government would be unable to pay its bills and panic would result, the Finance Committee of the other body refused to report the bill.

What happened? The administration reduced its spending and stayed within the debt limit. There was no panic.

The other body did, in 1954, amend the bill to provide a temporary increase in the debt limit from \$275 billion to \$281 billion. In 1955, Congress provided that the temporary increase would expire on June 30, 1956, which it did, leaving the present statutory limit of \$275 billion.

What has become of all the brave promises of other years of economies that would provide balanced budgets; of an end to inflationary deficits; of payments on the Federal debt?

I recall that in 1953, Secretary of Commerce Weeks asserted it was high time to halt "international handouts and global boondoggling." I am sure Mr. Weeks was not trying to shoot down the foreign-aid program with a slogan as President Eisenhower, in his state of the Union message a couple of weeks ago, insisted some people were trying to do.

And in 1953, former Secretary of the Treasury Humphrey pointed out the danger of continuing to spend American

taxpayer money abroad to build competitive enterprises, adding that "our scale of taxation is already too high and to maintain a sound and honest dollar we must bring our expenditures and revenues into balance."

This bill, if enacted, can have only one purpose: to permit expenditures and revenues to be thrown out of balance. And additional Federal debt means that the interest and other carrying charges, now costing the taxpayers nearly \$8 billion each and every year, will be increased. Already the interest on the Federal debt is the second largest item in the spending budget.

Mr. Chairman, I am irrevocably opposed to any increase in the Federal debt at this time. I voted for reductions in spending last year which, if adopted, would not only have easily kept the Federal debt within the present limitation but would have provided some payment on the principal.

Let me ask Members of the House this question: If you ran up a huge debt, made no effort to reduce it, and continued to live far beyond your means, would your creditors lend you more money?

But your Federal Government, with a stratospheric debt of at least \$275 billion, wants to pile up ever more debt through additional borrowings and at the highest interest rates in many, many years.

Thus, policies which could land us in prison as individuals amount only to the floating of more and more money-borrowing bonds as far as the Federal Government is concerned.

In conclusion, Mr. Chairman, I have no moral right at this time and in the circumstances to kite checks and hand on to the children of today and tomorrow the obligations and responsibilities that we adults ought to face today. It is an evil thing to mortgage the future of our children to the extent that the Federal Government has already mortgaged them.

There ought to be the will and the courage now to reduce expenditures, balance the budget, and make payments on the debt.

Mr. REED. Mr. Chairman, I yield 5 minutes to our distinguished leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I rise in support of the request of the administration that the debt limit be raised \$5 billion. I do not believe any effort to reduce it is an economy measure. In fact, it might well be that it would be the reverse, it might cost the Government more money than if the full increase was made at this time.

We know and we must face the fact that we have realities to consider. We are in a period where we are obliged to undertake a big missile program in order to keep ahead of the Russians. It will require money, plenty of money. The administration must be given the opportunity to raise the money efficiently and with all possible savings. I believe it is far better to do this than to be forced to raise taxes.

I can visualize that unless we raise the debt limit sufficiently we might be in a

position where we could not meet the bills contracted. In what position would that place the country if the Government were unable to pay its bills? It might bring about a situation that would be very disastrous; and, if Congress was not in session that would provoke an awkward complication.

Let me point out this fact: We have a very able man as Secretary of the Treasury. He does not want to spend money if it is not necessary to do so. He wants to keep expenditures down. I trust our Secretary of the Treasury and I trust the President of the United States. I believe they want to have an economical Government as well as any Member of the House. But this coming year the Secretary of the Treasury is going to have \$50 billion of debt that must be refinanced. Are we going to put him in a position where he can do that refinancing to the best advantage of the Government, or are we going to force him occasionally to pay money because he cannot raise the full amount necessary at a single refinancing?

I repeat, this is not a question of economy, and I hope further it is not a partisan question, because we all want our debt to be as low as possible. We all want to bring our finances into proper order. This administration has shown its desire for keeping the debt limit down when it refrained from asking the increase last year and was barely able to get through the year.

I say to my friends, let us not put the administration in a straitjacket. Let us give them the opportunity to function in an orderly efficient manner and the way which is for the best interests of the country. Let us not forget above all we must maintain missile security and that will cost real money which must be paid. I hope we will not vote to recommit but will pass this bill, which the administration has requested and needs.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, with the harmony that prevails, and particularly after having heard from our distinguished majority and minority leaders, both in support of this bill, I suppose I will be accused of injecting partisanship into a matter that should be and I trust will be finally disposed of on the basis of nonpartisanship.

If many of the speakers who last night participated in the opening of the 1958 Republican Congressional campaign had been as moderate in their language as our distinguished minority leader I probably would not take the floor now. We heard last night almost every adjective in the dictionary with an invidious connotation, thrown out over the air and aimed at the Democrats, Democratic policies, and the Democratic Party and its officeholders.

At the expense of being accused of partisanship, let me inject into this debate these facts; irrefutable facts from the record.

It was in 1952 that Candidate Eisenhower told the country that \$265 billion of debt was much too much for this country. The debt limit was then \$275 billion. We had never exceeded \$265

billion up to the time when he took office in 1953. His campaign pledge of 1952 was, regardless of anything, he would reduce the national debt to less than \$265 billion.

During the first 4 years of his administration, at his request and with the help of the Democratic Party, that debt limit and that debt were increased, because we had to have the money for our national security and for the welfare of our people.

In 1956, forgetting he was also President, Candidate Eisenhower again promised the country "Our debt will be reduced. The debt limit is too high."

It was an open secret last year that unofficial representations were made by the executive department to the Congress to increase the debt limit again. Just as openly and just as unofficially, the answer went back to the White House, "Send up an official request and the Democratic Congress will give this country what it needs." No official request came up, and there was no increase.

This year we have an official request before us. I am very happy that our distinguished majority leader preceded me and let you know the Democratic policy and the Democratic program is—and this is a complete answer to everything that was said on the air last night as our Republican friends pointed the finger at the Democrats and Democratic officeholders, and begged for a Republican Congress—the complete answer is that the Democratic Party always was ready, willing, and able, and will at all times be ready, willing, and able to give this country, and will give it, whatever it needs for its welfare and its security and its defense, no matter who the occupant of the White House may be and no matter what his partisan politics may be.

The distinguished chairman of the House Ways and Means Committee and our colleagues in that committee who supported him in bringing this bill to the floor are to be commended for their courage and their statesmanship.

In conclusion, Mr. Chairman, may I call attention to the fact, that the things that were said last night recall to many of us, the days of "Prosperity is just around the corner." They promised us more and greater prosperity. Even though we are just dripping with prosperity now there was more just around the corner. It is too bad that we do not have the facilities to print photographs in our CONGRESSIONAL RECORD. I would like to reproduce this one.

Prosperity is just around the corner but apples are back on the corner again. This is a very recent photograph. If you go by the Social Security Building any morning you will find there once more an apple seller. He has not been able to find that prosperity which is just around the corner.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. MARTIN. Does the gentleman contend that we have not had a real era of prosperity in this country during the last 2 or 3 years?

Mr. MULTER. Yes, we have; and we can continue to have it and we should

have it. We should not have unemployment reaching the point where it is today, where within another month it will have reached, throughout the entire country, proportions that will be labeled "distressed labor conditions."

Mr. MARTIN. That is what the gentleman thinks.

Mr. MULTER. What I am trying to call your attention to is that this administration must do something about that in order to avoid the miseries of unemployment. The Congress cannot do it alone. We need leadership in the White House to do it. We are not getting that leadership today.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I have been serving in the House now nearly 14 years. During this time I have been waiting for the day when we would set a limitation on ourselves, set a limitation on our taxes, and set a limitation on our debts. It would seem to me that the logical argument here today is that we might as well adjourn if we raise this debt limit another \$5 billion. If we are going to raise the debt limit, give unlimited debt powers, unlimited taxing powers and assume that this Congress is never going to begin to liquidate those Government projects that would give us billions in dollars in the Treasury, why stay here and argue?

We could start with TVA. There are a couple of billions we can liquidate and get in our pockets. Let us continue by selling 490,000 housing units and stop building more at the taxpayers' expense and more borrowed money. We could stop Government lending which now makes up 16 2/3 percent of all the money that is lent in this country today. Let us stop subsidies for food. Right now we have a \$9 billion loss in our food subsidies. We could put an end to that. Does not Congress plan to function after this vote?

Let us stop reclamation programs. Let us not vote this scholarship fund of \$1 billion which we do not need, and thereby increase our debt. Then, let us follow some of the military advice and get into some real savings. Let us take the Army-Navy budget and reduce it according to General Bonner-Fellers by \$9 billion and foreign aid by \$5 billion. Then let us add to the Air Force an increase of \$2 billion, research another billion, and then ICBM another billion. After you do all that we would save \$10 billion on the military side and expand our expenditures where they should be, on the Air Force.

That is not talking about the little fringe economies that the Hoover report talks about; that is talking as the President talked in Oklahoma City. He said whole categories of our socialist economy must be cut out if we are going to stop, ever, unlimited taxing and unlimited deficits and unlimited borrowings.

Mr. MULTER. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. Boggs].

Mr. BOGGS. Mr. Chairman, I rise in support of the measure before the House, and I shall also oppose a motion to recommit. I support this measure because I am convinced it is necessary for the orderly functioning of our Government, and I am convinced that it is necessary in the interest of economy and efficiency to support it. I feel, however, I would be remiss as a Member of this body if I did not point out some of the things which I have noted in the past few years and some of the interpretations that have been placed upon these events. I realize, of course, that under our system of government it is difficult to make any statement without being accused of partisanship. Under our system, I have never been too concerned about whether or not there would be some degree of partisanship. I think it would be a terrible thing if we had a monolithic type of government and we were deprived of the opportunity of criticizing or pointing out deficiencies, whether it be in my party or in the opposition party. I trust that my remarks today will not be interpreted as partisan. As far as I am concerned, they are completely and totally factual.

Mr. Chairman, this is the third or fourth time in the last 5 years of this so-called sound administration that we have been requested to raise the national debt limit. The only time in the previous administration under President Truman that we changed the debt limit was when we reduced it from \$300 billion down to \$275 billion.

In 1954 we increased the statutory debt limit to \$281 billion or by \$6 billion. Again, in 1955 we acted maintaining that figure at \$281 billion. It was set in 1956 at \$278 billion. Now it is requested that we increase it to \$280 billion. During this same period of time the national debt has increased from about \$267 billion to approximately \$274 billion. As a matter of fact, there has been a net increase approximately of \$7 billion in the national debt since the conclusion of the Korean conflict. Most of the cost of that conflict was paid for by current revenues.

As a matter of fact, I pointed out here some years ago that this administration, as far as I was able to ascertain, was the first administration which had actually recommended deficit financing, because when we had a budget which everybody knew would be out of balance 4 or 5 billion dollars, no recommendations were made that revenues be raised to make up for that deficit.

Frankly, I am concerned about our economic condition, and I want to make a statement. I am not saying this in any criticism of the present Secretary of the Treasury because I think he is tremendously able and I admire him very much. What I am pointing out are facts that cannot be denied. If I felt that our economic condition had improved I would not be here talking to you today.

But let us look at the situation. Do you remember some years ago we heard a lot about inflation. Well, is the value of the dollar more or less than it was then? As a matter of fact, again last month the cost of living reached its highest peak in history. The strange thing

about this inflation is that it is occurring at a time when unemployment is increasing. Would any of us here say we are satisfied with the economic conditions as they exist? In the month just concluded we had more unemployment than at any time in the last decade, if my figures are correct.

What about servicing this debt? The debt is only about 9 or 10 billion dollars more than it was 5 years ago, although I am sorry to report it is even a nickel more. But despite the fact that it is only a few billion dollars more than it was, the cost of servicing this debt has almost doubled. As a matter of fact, only recently, for short-term credit, the Government paid more a few months back than it had paid at any time, I think, since sometime back in the twenties.

Now, is all of this healthy for our economy? I am afraid it is not. We had fewer housing starts last year than we had for many years. We have more unemployment than we had in many years. We have more real doubt about the efficiency and the stability of the Government than at any time that I can remember. Have we gotten better defense for this money? Well, I do not know. I am certainly no expert on defense, but every time I pick up a publication which contains the expressions of experts, every time I read the expressions of experts before Congressional groups in this body and in the other body, I find that they say we have fallen tremendously behind in defense. And I have seen charts published in magazines which have not been particularly friendly to my side of the aisle which indicate that our enemy, the Russians, have forged considerably ahead of us. And I saw some figures this morning which showed that this budget, as recommended for the approaching fiscal year, namely, 1959, insofar as defense is concerned, will only pick up the additional cost brought about by the continuing inflation.

So again I say that here in this most vital area of all, namely, the security and the defense of all of us as Americans, we do not have too much to feel secure about. Frankly, I wish it were otherwise. I wish that we had checked inflation. I wish that we had pursued economic policies which would not have encouraged unemployment. I wish that our gross national product had kept up. That, to me, is one of the most distressing signs of all. You know, we are in a great growing country. The population of the United States of America today is something like 173 million or thereabouts. This means that each year, as young men and young women come into the labor force, we must create new jobs, new opportunities, new employment. And this is particularly true in light of the tremendous technological changes which are now taking place. Automation is taking the place of labor in many vast industries in our country; so that, if the gross national product does not continue to advance, then unemployment increases even though employment itself remains stable. These are all frightening aspects of our economy. And I can well understand how at public caucuses it is customary to point with pride, as was

done last night; but frankly, as you examine this economy and look at it, there is less to point to with pride and more to look at with real concern. Look at agriculture. Why, I have seen figures that more families have left the farms in the last few years than in previous generations. All through the farming areas of our country there is a feeling that these people who contribute the food and the fibers which feed and clothe our people are the forgotten segment of our economy. So that we have our job cut out for us. We have a crisis in the defense program; we have real trouble at home on the domestic scene; we have continuing inflation; we have growing unemployment; and we have a growing debt. And we face the prospect of additional deficit financing.

Mr. Chairman, I support this bill certainly not out of any feeling that it will cure these ills; because it will not; but I support it because, if it is not passed, the ills which I have enumerated will become even more acute.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am sorry this bill to raise our Federal debt limit is before us today. It seems to me there is a way to make such a request unnecessary—at least, at this time.

Now when an individual, a company or a corporation finds it is about to go in the red, but knows it will in a short time receive income to again put it in the black, it asks its creditors for an extension of time to meet its obligations.

In this particular instance, the next 3 months are the big income-tax-collecting months. It might well be that by Uncle Sam paying only the bills which absolutely must be paid during that time, it can be proven that it will not be necessary to raise the debt ceiling. Congress will still be in session, and should we find it absolutely necessary to raise the debt ceiling, it can still be done and no harm done. Surely, it is worth trying, instead of doing it this easy way. Sammy has proved to be a liberal spender for the past 25 years, you know. It is time Papa—the taxpayers—said to Sammy, "You better be careful, old boy, or soon you might not have the dollars nor the credit to help yourself or any one else—here or abroad—to wage peace, let alone war."

It may be that to raise the debt limit here requested will not touch off uncontrolled inflation; but who knows. All we need do is to look at every nation in this world that made federal spending easy, and that has happened to over one-half the nations of the world; and what do we find there—uncontrolled inflation, strife, and hungry, restless people, to say the least.

Perhaps this is not the straw that will break our backs—not the camels—but I, for one, will not take the chance; at least, until I know it is more necessary than it is today, or at least until we have tried the solution I have just suggested.

You may say, "Oh, let us do it now, just look at the size of the budget for 1959. That if we do not do it now and get it over with, we will have to do it

anyway before this session ends." Now, will we? Let us not be too sure. Remember that, generally speaking, the American people—our boss—want every possible penny saved in nonmilitary spending and while it is true most everybody wants more than adequate spending for the military, I am sure they expect us to get as near 100 cents worth of security for every dollar spent as is safely and humanly possible.

And, so I am sure you can expect this Congress will reduce the budget request for fiscal year 1959 by at least \$3 billion. Consequently, if anticipated revenues become a reality, it is very possible that we will have a balanced budget for fiscal year 1959.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, Russian policies have been consistent over the years, as I have observed them, alarmingly so. The mission of Russia has been world domination. They have made strategic withdrawals, it is true, but there has been no abandonment of their policy. Just as consistently Russia has repeatedly said that they will accomplish their objective by destroying America from within, by destroying us economically.

Time does not permit my going into a discussion of that in full. The President, though, has presented a precariously balanced budget. Some people here today have suggested that it is overly optimistic, with revenues overestimated and expenditures understated. Be that as it may, the President himself, in his state of the Union message, indicated that for Congress to meet its responsibilities, to bring about a balanced budget, it is necessary that we exercise restraint, and that we must eliminate expenditures for unnecessary and improper Federal programs.

I personally believe that by doing this, by cutting foreign aid, by eliminating a major portion if not all of the proposed Federal-aid-to-education recommendations, by elimination of waste in the military and by other means we can adequately provide for the security and defense of this country and at the same time provide the necessary and proper Federal programs here at home, pay something on the national debt and still, perhaps, have a most needed reduction in taxes. I am ready to devote myself to the accomplishment of these objectives.

There have been other reactions to his message, though. According to reports that we read in the press, there are powerful forces within the liberal element, of the Democrat Party particularly, including some who are Members of this body, who have indicated that they will push for \$2 billion more than the President has requested for military or defense spending, whether it can be well spent or not. Reading would suggest an effort to get off a political hook or to make political hay. Furthermore, they have indicated that they are going to push for all present and many additional Federal Government programs right here at home even if it means an unbalanced budget and going back to

deficit spending. Mr. Chairman, I suggest to you that if we increase the debt limitation more than is necessary, we are playing right into the hands of those who would so have us abandon fiscal responsibility.

Regardless of the good intentions of the Executive and of responsible Members of Congress that have been expressed here today, we would be contributing to the accomplishment of the objective of those who are for fiscal irresponsibility and wholesale deficit spending if we vote to raise the debt ceiling any more than is reasonably required for management purposes. I can understand and agree with the necessity for maneuverability and the possibility of interest savings, and so forth, if that is provided. We should not, however, raise the debt ceiling one more cent than is necessary for this, or we will be playing into the hands of the big spenders. I suggest to you on the basis of the very able statement made by the gentleman from Wisconsin [Mr. BYRNES], that we can live and that the administration can live and accomplish its avowed objectives with an increase of \$3 billion.

I intend to vote for the motion to recommit and to substitute that figure, and I urge you to do likewise. If this is accomplished, then those who are urging big spending, for political purposes and otherwise, will be faced with the proposition of themselves having to present a resolution for further extension of the debt ceiling to cover the deficit spending. That is as it should be. It will properly brand them in the eyes of the American public as the ones who are leading this country to economic ruin. Speaking for myself, I am not going to vote for an unnecessary increase in raising the debt ceiling to help them accomplish their purpose, either now or later. Let the people who are for the deficit spending come to the well of this House and present a resolution to cover the additional indebtedness that will have to be borne by ourselves and future generations of Americans, thereby contributing to the destruction of America from within by destroying us economically. We are entitled to a record vote on that issue. Right now we should support the motion to recommit, which will supply all of the funds necessary for better management of the debt, for carrying the expenditures through the lag time between outgo and periods of heavy receipts, and for other purposes. If anything more than the \$3 billion can be justified, which has not been done here today, let that justification be made in the other body or at a later date.

We can correct our error without difficulty if we have not provided enough. If we vote too much, those who follow the course of fiscal irresponsibility will fix it so that the only way the error can be corrected is by paying off the additional debt incurred through ill-considered and unnecessary expenditures.

Mr. REED. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, you would think, to hear some of the speeches, that we are in a deplorable condition. We seem to be trying to develop an inferiority complex. I still believe that we are the

greatest free Government on the face of the earth. I still believe that we have a sound defense. I still believe in my Government from A to Z.

For the almost 40 years I have been in Congress I have always voted for economy, because I believed it was essential that our country should be fiscally sound. I believe also in our public officials. I know they are not spending any money except what Congress has authorized. I believe that when they study, as they have to study night and day, the fiscal affairs of this Government, and then bring their knowledge to us before our Committee on Ways and Means, and we hear them, they are entitled to respect and consideration. I believe they are people who are loyal to this Government.

I urge you today not to try to cripple this Government when you know that

this extension of \$5 billion is considered necessary, necessary by our committee, necessary by our officials in the executive branch who administer the funds we appropriate here. I urge you to support this bill.

I have been for economy, as you know, all these years, and I am proud of that record. My district is proud of that record. My people know that I will continue to fight for the solvency of this Government. I know from the testimony that came before our committee that this \$5-billion increase is needed. I think we should protect our country and fight for our country all the way. That is what I intend to do while I am in Congress.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Illinois.

Mrs. CHURCH. I rise humbly to pay tribute to the man in the House who to me has stood for the best Government, the greatest economy in Government, the greatest personal integrity in Government, more than anyone else I have known during the 8 years I have been here.

Recalling the history that has been given in brief here this afternoon, I wonder whether the gentleman would be kind enough to insert in the record of today's committee session a complete history of the rise in the debt from 1935 to 1952.

Mr. REED. I thank the gentlewoman for her compliments. I cannot plead guilty to her kind personal tribute to me. Of course, it is highly pleasing. I will try to accommodate the gentlewoman by putting in the RECORD the facts she has asked for.

TABLE 1.—Debt limitation under sec. 21 of the Second Liberty Bond Act, as amended, history of legislation (1934-57)

Act:		
Jan. 30, 1934, amending sec. 18 (48 Stat. 343) increased authority for notes outstanding to.....		\$10,000,000,000
Feb. 4, 1935:		
Amending sec. 1 (49 Stat. 20) limited bonds outstanding establishing revolving authority to.....		25,000,000,000
New sec. 21 added (49 Stat. 21) consolidated authority for certificates and bills (sec. 5) and authority for notes (sec. 18). Same aggregate amount outstanding.....		20,000,000,000
New sec. 22 added (49 Stat. 21) authorized United States savings bonds within authority of sec. 1.....		
May 26, 1938, amending sec. 1 and 21 (52 Stat. 447) consolidated in sec. 21, authority for bonds, certificates of indebtedness, Treasury bills and notes (outstanding bonds limited to \$30,000,000,000). Same aggregate total outstanding.....		45,000,000,000
July 20, 1939 (53 Stat. 1071), amending sec. 21 removed limitation on bonds without change total authorized outstanding of bonds, certificates of indebtedness, Treasury bills and notes.....		45,000,000,000
June 25, 1940, (54 Stat. 526), sec. 302, sec. 21 of the Second Liberty Bond Act, as amended, is hereby further amended by inserting "(a)" after "21." and by adding at the end of such section a new paragraph as follows:		
"(b) In addition to the amount authorized by the preceding paragraph of this section, any obligations authorized by sections 5 and 18 of this Act, as amended, not to exceed in the aggregate \$4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefore, any such obligations so issued shall be designated "national defense series".		4,000,000,000
Feb. 19, 1941 (55 Stat. 7), amending sec. 21 to read: "Provided that the face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$55,000,000,000 outstanding at any one time." Eliminates separate authority for \$4,000,000,000 of national defense series obligations.....		165,000,000,000
Mar. 28, 1942 (56 Stat. 159), amending sec. 21 increasing limitation to \$125,000,000,000.....		125,000,000,000
Apr. 10, 1943 (57 Stat. 63), amending sec. 21 increasing limitation to \$210,000,000,000.....		210,000,000,000
June 9, 1944 (58 Stat. 272), amending sec. 21 increasing limitation to \$260,000,000,000.....		260,000,000,000
Apr. 3, 1945 (59 Stat. 47), amending sec. 21 to read: "The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$300,000,000,000 outstanding at any one time."		300,000,000,000
June 26, 1946 (60 Stat. 316), amending sec. 21 decreasing limitation to \$275,000,000,000 and adding: "the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation"		275,000,000,000
Aug. 28, 1954 (68 Stat. 895), amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, temporarily increasing limitation by \$6,000,000,000 to.....		281,000,000,000
June 30, 1955 (69 Stat. 241), amending Aug. 28, 1954, act, by extending until June 30, 1956, increase in limitation to.....		281,000,000,000
July 9, 1956 (70 Stat. 519), amending act of Aug. 28, 1954, temporarily increasing limitation by \$3,000,000,000, for period beginning on July 1, 1956, and ending on June 30, 1957, to.....		278,000,000,000
Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1946, to.....		275,000,000,000

1 Limitation on outstanding.

2 Limitation on issues less retirements.

TABLE 2.—Budget receipts and expenditures and public debt

[Fiscal years. In millions of dollars]

Fiscal year	Budget receipts	Budget expenditures	Surplus (+) or deficit (—)	Public debt at end of year
1933	2,021	4,623	-2,602	22,539
1934	3,064	6,694	-3,630	27,053
1935	3,730	6,521	-2,791	28,701
1936	4,069	8,403	-4,334	33,779
1937	4,979	7,756	-2,777	36,425
1938	5,615	6,792	-1,177	37,165
1939	4,996	8,858	-3,862	40,440
1940	5,144	9,062	-3,918	42,968
1941	7,103	13,262	-6,159	48,961
1942	12,555	34,046	-21,490	72,422
1943	21,987	79,407	-57,420	136,696
1944	43,635	95,059	-51,423	201,003
1945	44,475	98,416	-53,941	258,682
1946	39,771	60,448	-20,676	269,422
1947	39,786	39,032	+754	258,286
1948	41,488	33,069	+8,419	252,292
1949	37,696	39,507	-1,811	252,770
1950	36,495	39,617	-3,122	257,357
1951	47,568	44,058	+3,510	255,222
1952	61,391	65,408	-4,017	259,105
1953	64,825	74,274	-9,449	266,071
1954	64,655	67,772	-3,117	271,260
1955	60,390	64,570	-4,180	274,374
1956	68,165	66,540	+1,626	272,751
1957	71,029	69,433	+1,596	270,527
1958 (estimate)	72,400	72,788	-388	271,200
1959 (estimate)	74,400	73,934	+466	271,200

NOTE.—The change in the public debt from year to year reflects not only the budget surplus or deficit but also changes in the Treasury's cash balances, the effect of certain trust fund transactions, and direct borrowing from the public by certain Government enterprises.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, first of all I want to take this opportunity to add my tribute to those already paid here today to our new chairman of the Committee on Ways and Means. It has been my pleasure to work with him closely now for a number of years. I have learned to respect and admire him. While we have suffered a great loss in the passing of our distinguished colleague, the Honorable Jere Cooper, we are most fortunate to have as his successor my good friend, WILBUR MILLS.

For the last few hours we have been discussing the necessity for increasing the debt limit. We have heard arguments pro and con, and I do not intend to belabor the question further. However, I want the Members to know that I am one of those who believe in the solvency of our Government, one of those who believe that we should cut expenditures where we can cut them without hurting either our national defense, our general welfare, or our economy. I am one who has always been reluctant to see the ceiling of our national public debt raised, but after hearing the testimony that was presented to our committee

this past week, I come to you and say, "My colleagues, I am going to vote for this resolution, and I think in the interest of America you, too, should do the same thing."

It is most important that the ceiling on the public debt be increased by \$5 billion, as this resolution provides. If you had the privilege of listening to all the testimony that we did, and I certainly hope you will read the hearings when they are made available, you would find real necessity for this action. In fact, we were told that one time last fall the cash balance in the Treasury was so low that when the Treasury was seeking to transfer funds from one depository to another in order to meet bills, if a severe storm had interfered with the transfer of that money millions of our aged people and millions of pensioners would not have been able to get their pensions on time. I say there is an urgent reason, that reason alone, to provide the monthly checks for our pensioners, for passing this legislation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield if I have time.

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. McCORMACK. The gentleman from Rhode Island referred to our late beloved colleague, Jere Cooper, in a very fitting way, and how fortunate we were, with the act of God taking him away from us, in having as chairman of the Ways and Means Committee our distinguished friend, the gentleman from Arkansas [Mr. MILLS]. There is no Member of the House who is more greatly respected than the gentleman from Arkansas [Mr. MILLS] not only for his extraordinary ability, but for his devotion to duty, and above all for his fine ethical outlook on life.

An illustration of his leadership, showing the elements of leadership that he possesses is the fact, as I remember, this recommendation for a temporary increase of \$5 billion in the national debt ceiling was made on Tuesday of last week. On Friday of last week the chairman called the Committee on Ways and Means together for public hearings. And the bill was reported out, and the bill is now before the House of Representatives today. In other words, within a period of 1 week one of the most important measures of this session of Congress was messaged to the Congress, and the Ways and Means Committee, under the leadership of the gentleman from Arkansas [Mr. MILLS], held hearings and reported the bill out and the bill is now before the House. I think that is leadership of an outstanding nature and is a compliment to the gentleman from Arkansas and his leadership.

Mr. FORAND. I thank the gentleman from Massachusetts [Mr. McCORMACK] and I point out that the reason for that speed was not because the Ways and Means Committee had nothing to do, because as you all know we are holding hearings on tax revision and our schedule calls for us to hear from 18 or 19 witnesses each day, but because of the urgency of this situation and the non-partisanship involved, our leader called us together and action was expedited. For that I compliment him.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. FORAND] has expired.

Mr. MILLS. Mr. Chairman, I have no further requests for time.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, the argument presented by members of the Ways and Means Committee have convinced me that a precarious margin between the anticipated commitments and the debt limit does exist.

As has been said this is because the Congress has been too liberal in its appropriations. Now it becomes necessary for the Congress to acknowledge its mistakes and call upon the taxpayers to cover for them.

Extension of the debt limit is requested as an emergency measure. Like similar emergency requests it is most certain to become permanent.

The national debt of the United States of America is twice the size of the total debt of all our allies with whom we are fighting a cold war. Nearly every one of these allied governments is taking radi-

cal steps to reduce its commitments, hoping to bolster its economy and stabilize its financial structure.

While I recognize and fully approve our Government's expenditures for our own defense I cannot approve increasing allocation of American taxpayers' money to restore the solvency of foreign countries that indicate their readiness to believe they must assume a soft attitude toward our powerful antagonist.

America's strength and survival depends ultimately upon our own solvency. Solvency just cannot be preserved if we continue deficit spending with its accompanying inflation. It is time we resolve to avoid further debt and adopt a pay-as-we-go policy. Better an increase in tax now to keep our fiscal house in order than mislead our people into believing all is well.

If Russia, by squeezing the lifeblood of her people, can create a superior military force to threaten the democratic world, most certainly the American people will willingly contribute from their incomes the necessary cost of building a defense system to protect them from foreign aggression and from internal financial bankruptcy.

National debt and inflation can destroy America just as surely as defeat in war. Rather than destroy ourselves by spending abroad where experience shows its futility, let us put our own house in order. America, strong, united, solvent, and determined, can maintain world leadership; otherwise our chances of survival against a ruthless, dictatorial, slave-driving Communist enemy are nil.

Mr. HEMPHILL. Mr. Chairman and Members of the Committee, the second year of the second term of Mr. Eisenhower starts off, as others, with beautiful promises, high sounding and descriptive phrases, and the stark realism that inflation continues. There is no real effort on the part of this administration to check it. This administration lacks a sincerity of purpose, and its hypocrisy must be exposed.

We are asked to increase, temporarily, the public debt limit. We are asked to give the Treasury Department a free hand to obligate us \$5 billion above the present authority. By this request the administration has admitted its failure to cope with the problem of inflation and provide a program to return to a sound dollar.

It is therefore evident that we can expect no leadership in tightening the belt by the administration. The Congress, must, therefore draw the line. The Congress could, if it would, take the reins of leadership toward economy and efficiency in Government, and I am ready to vote for such a program.

Last night, in an effort to discredit the Democratic Party, Assistant President—some give him credit for having much more power and say-so than "assistant"—Sherman Adams tried to sidetrack the American people from thinking of their serious home-front fiscal and economic problems. He began to talk about Pearl Harbor.

What we in America want of the President and his advisers is a fact-facing realization of our home-front difficulties, and recommendation for con-

structive legislation to correct it. For the last 5 years the record of the Republican administration on the home front may be summed up in two words: failure and insincerity.

The farmer, under this administration has suffered disastrously. He is in debt. He wants relief. He wants tax relief and he is tired of wasteful Government spending.

The textile industry, the plywood industry, management, and labor are suffering. The white-collar worker cannot pay his debts. The dollar value is going steadily down. Unemployment is on the increase. A recession is underway, and that recession may be classified as minor, or temporary, by those in power, but to the man losing his business, with his back to the wall, or unable to pay his debts, there is nothing minor about it.

Raising the debt limit is no solution to the problem. The Secretary of the Treasury never made a claim that this is the panacea. How encouraging it would be if the administration had issued a statement that it would forego raising the limit for fear of encouraging further inflation. The taxpayer needs some encouragement, not tomorrow, but today.

The Secretary of the Treasury, in his statement before the Ways and Means Committee of the House of Representatives, stated that cash balances are running distressingly low. He did not say, according to the report on this bill, dangerously low. Everybody I know is having trouble keeping cash balances. Too much Government and too much Government debt have materially contributed to that condition.

One of the grounds for the request takes into account contingencies which might develop in a world filled with uncertainties. The world has always been filled with uncertainties and this administration has done more to place the United States in a position of uncertainty than any in the history of this great Nation. They wish Congress to bail them out, temporarily, from this fiscal dilemma, and have Congress share the blame for Eisenhower inflation.

As of January 15, 1958, according to the report on this bill, our debt was pegged at \$274.4 billion. Our limit is \$275 billion. We are asked for \$5 billion, but the papers today carried a report that \$3 billion would suffice. Why not \$1 billion at a time? Why not take stock again and again to remedy this situation.

A vote against this legislation is a vote for economy. A demand for it. The American people desire it.

Let no man be misled into thinking this is part of the missile program. Propaganda in that direction may be forthcoming, but the facts are that last week we voted \$549 million for the missile-detection and defense program. The missile program has been voted the money by present and past Congresses. What we need is dedicated use of those funds and realistic production.

Let us start now to stop inflation and vote against H. R. 9955.

Mr. SADLAK. Mr. Chairman, may I add to the remarks which have been emphasized by my colleagues on the

Ways and Means Committee that the most important reason for the temporary increase in the public-debt limit is the flexibility that is required over the next 18 months. May I likewise emphasize the statements that have previously been made that this does not in any way tend to open the floodgates of expenditures, but is a warning to continue to keep the brakes on the spending, though these brakes must be applied here in the House on the appropriation measures, and appropriations cannot be increased by the Treasury Department since they must pay the bills which we authorize and approve.

One additional impelling reason for my voting for the temporary increase is the possibility of need for immediate funds in the event to follow through to the fullest advantage should a technological breakthrough occur.

Mr. Chairman, I endorse H. R. 9955. Mr. JOHANSEN. Mr. Chairman, in a sense it is unrealistic to vote against a temporary increase in the debt limit.

But, then, in a sense, it is always unrealistic to protest the inevitable.

There is no doubt that we are here faced with the inevitable. The outcome of the impending vote is a foregone conclusion. Very probably some increase in the debt limit this session is actually unavoidable although it may end up with something less than the \$5 billion figure.

If, as I suspect, a temporary increase is necessary it is because arithmetic is still inexorable.

Uncle Sam has so far discovered no satisfactory way to dodge the bill collector. But there seems to be a lack of understanding that bills paid with borrowed money are not debts truly paid. They are debts merely juggled. They are debts merely transferred to a different creditor, with a deferred due date and a heavy interest charge.

We today have such deferred debt to the tune of nearly \$275 billion, much of it the heritage of war. But a very substantial amount is the heritage of extravagance, folly, and sheer waste. And some of this extravagance, folly and waste is of recent and current origins. Hence our inevitable predicament today.

Yes, I repeat, protest against the inevitable is in a sense always unrealistic.

But failure to protest may, in the longer view, be even more unrealistic. Failure to protest may prove both fatalistic and, ultimately, fatal.

Absence of protest can accelerate the process of progressive capitulation to bad habits.

Therefore, I intend to vote for the motion to limit the increase to \$3 billion—as the lesser evil. And then I intend to vote on final passage against any increase.

Very frankly this is a vote of protest against the immediate inevitability because of my anxiety over the far more crucial inevitability toward which we are headed.

It is a vote of protest in line with the votes for economies which I cast in the last session. Had these economies been adopted an increase in the debt limit would quite probably now be unnecessary.

It is a vote of protest against the resurgent doctrine, currently mouthed by spokesmen of Americans for Democratic action, that debt does not really matter.

It is a vote of protest against the popular theory of democracy—spelled with a small “d”—that government must provide anything and everything the people or pressure groups want or demand, without regard to reasonable priorities, and without regard to the ability of the government or the willingness of the people themselves to pay for it.

It is a vote of protest against the philosophy of luxury and softness—the notion that there is nothing that we cannot do without, or even temporarily defer, if we happen to want it right now.

It is a vote of protest against inconclusive legislative action to date which has made the postage stamp a symbol of our unwillingness to face facts and which has accumulated a postal deficit equal to, or exceeding, the \$5 billion it is now proposed to raise the debt limit.

It is a vote of protest against the evasions and doubletalk—and pleasant smiles—of many departmental and agency witnesses which have largely frustrated nonpartisan efforts of the House Subcommittee on Manpower Utilization to curtail unnecessary filling of Federal job vacancies.

It is a vote of protest against the swarming hordes of would-be hitchhikers on sputnik, promoters of new welfare state spending to the tune of many more billions which, if recklessly approved, will have to be paid for through higher taxes or more borrowed money made possible by further increases in the debt limit.

It is a vote of protest against these grandiose schemes for more and more spending which jeopardize our ability to finance absolutely necessary increases in costly military defense.

It is a vote of protest against the zealous advocates of more and more governmental foreign missionary efforts who, I am sure, would be somewhat dismayed and possibly more moderate in their demands if they had to rely on foreign-missions-Sunday free-will offerings instead of having easy recourse to tax funds or deficit Federal spending.

It is a vote of protest against Congressional failure to come more effectively to grips with the threat to debt limitation always present in vast annual carryovers of appropriated funds.

Finally, it is a vote of protest against the tardy twinges of conscience and remorse which assail us whenever the issue of an increase in the debt limit arises, but which are all too often lacking when we face the one genuine inevitability—that more spending must always mean more taxes or more debt or both.

Mr. REED. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

(The bill reads as follows:)

Be it enacted, etc., That, during the period beginning on the date of the enactment of

this act and ending on June 30, 1959, the public-debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$5,000,000,000.

The CHAIRMAN. Under the rule, no amendment to the bill is in order except amendments offered by the Committee on Ways and Means.

Are there any committee amendments? Mr. MILLS. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 9955) to provide for a temporary increase in the public-debt limit, pursuant to House Resolution 446, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. BYRNES of Wisconsin. Mr. Speaker, I am opposed to the bill. I offer a motion to recommit.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BYRNES of Wisconsin moves to recommit the bill, H. R. 9955, to the Committee on Ways and Means with instructions to report the same back forthwith with the following amendment: On page 1, line 7, after the word “by” strike out “\$5 billion” and insert “\$3 billion.”

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further proceedings on the bill be postponed until next Thursday, in accordance with an agreement previously entered into with the Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks in the RECORD on the bill we considered in the Committee of the Whole today.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MILITARY DISCHARGE AND THE SUPREME COURT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last Wednesday afternoon, a drama took place in the Supreme Court that will vitally affect the lives of hundreds of ex-servicemen. Before the bench that day were two cases, that of John Henry Harmon and Howard Abramowitz, both men who had performed their military duties in an exemplary manner, and whose records were without blemish.

Both had been summarily discharged as undesirable despite their honorable service records solely on the basis of their activities as civilians, before their military service began.

Harmon and Abramowitz appealed their cases up through the machinery for redress that the Military Establishment provides, and were at each step denied any change in the character of their discharges. Not until Harmon took his case to the Federal court did the Army reconsider its position—then upgrading his discharge to general—still a less than honorable discharge.

On Wednesday, after living for years with the social stigma and deprivation of legal rights attached to a less than honorable discharge, both men had reached the highest and the final seat of justice. And there, before the Supreme Court of the United States, counsel for the defendant, Secretary of the Army Brucker, admitted that the Justice Department had advised the Army that it had no authority to issue a discharge based on civilian conduct—a statement that was in fact a confession of error.

My colleagues, this body passed a bill, H. R. 8772 now pending before the Senate Armed Services Committee, in the last session which would provide machinery for ex-servicemen who had been tendered a less than honorable discharge to redeem themselves by allowing them to petition for a new type of general discharge after 3 years of commendable postservice civilian conduct. During the short debate on the bill, a number of its supporters are on record as saying that the bill did not go far enough. Clearly, it did not.

In fact, it may seem that in a back-handed manner, the House of Representatives has almost endorsed the very thing which the Justice Department has advised is unauthorized, and by implication, unconstitutional.

I sincerely hope that the other body will either reject or strongly revise the bill before it, and that the Members of the House will have a further opportunity to participate in the writing of equitable legislation.

SOCIAL SECURITY SHOULD NOT MEAN FORCED RETIREMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, of the several bills amending the Social Security Act which I have introduced in this session, the one that will most crucially affect the greatest number of people is H. R. 9842, which will raise the limit on earnings for social security recipients from the present \$1,200 to \$5,000.

My district in Los Angeles is the home of many more retired people than is average, and for this reason I have both a special interest in the problems of our older citizens, and perhaps a better opportunity to see and to appreciate those problems than would be possible with a more diverse constituency. Invariably, people who are receiving social security benefits who speak or write to me—and many do—feel strongly that the income limitation is unfair, that it opposes their natural desire to continue as productive a life as possible and most important, that it prevents them from augmenting an inadequate income.

A system that in effect penalizes beneficiaries by reducing benefits each month in which they earn more than \$80 is to me, quite frankly, an unjust system, and must naturally depress incentive to work. Is it any wonder that many who have spent years contributing to the social security fund cannot understand why the more they work, the more their Government, which contributed nothing to the fund, reduces the benefit that they have earned. Such a policy could only be understandable if it were realistic; but it is not. By raising the earning limit to \$5,000, however, my bill will give beneficiaries an opportunity to provide a decent living for themselves, and restore to them the sense of self-respect that they had known as productive members of their community.

Since H. R. 9842 was introduced early in the session, I have had some reaction to it from organized labor. Originally many unions were opposed to provisions allowing any outside earnings because of the possible unfair advantage that employers would take of older workers through "wage cutting" devices. The merit of this argument is pointed up by one Washington, D. C., employer who is publicly recruiting older workers with the bold assertion that they need not lose their social security benefits by coming to work for him, because he will see to it that they are not paid more than \$1,200 in a year.

There are two alternatives to combat this exploitation. First, to eliminate allowed outside earnings altogether, in which case we would incur the obligation to see that social security paid enough to recipients for them to maintain a reasonable minimum standard of living. Since obviously it does not, the only answer is then to raise the earning limit to a figure that will discourage wage cutting and will make a decent living standard possible for beneficiaries. I believe that nothing below \$5,000 will accomplish this.

In periods of unemployment, such as we have now, there is a natural inclination on the part of some to oppose any proposals which would increase the number of people in the labor market. I state quite frankly to them that to me,

this is the kind of fear that a President of the United States referred to in his words, "The only thing we have to fear is fear itself." The answer to such fear is not to restrict the labor market, but to affirm with action the philosophy that our economy must obligate itself to full employment, and to insure the opportunity for all to work who desire to do so within the limits of their need and ability. Social security should not mean forced retirement.

BILL FOR RECORDING OF LIENS BY COAST GUARD

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ASHLEY. Mr. Speaker, today I have introduced a bill to revise the Coast Guard registration of certain undocumented vessels in order to provide for notation of liens, mortgages and other encumbrances on the reverse side of the certificate of award, and to further provide for the issuance of a duplicate certificate to remain on board the vessel, while the original is held by the lending bank.

The Coast Guard has advised me that it has no authority under existing law for the recording of mortgages or for the notation of a lien or other encumbrance on the so-called certificate of award, and the legislation which I have introduced today is designed to provide this necessary authority.

Mr. Speaker, in the last decade the number of pleasure craft in operation in the United States has nearly tripled—from 2½ million in 1947 to more than 7 million today. Last year about 30 million persons took part in recreational boating on the waterways of our country. This is nearly 17 percent of all persons living in the continental United States, according to the most recent Bureau of the Census report.

It goes without saying, Mr. Speaker, that this boating activity represents a tremendous investment on the part of American boat owners. During the calendar year 1956, about \$1¼ billion was spent at the retail level for new and used boats, accessories, safety equipment, fuel, insurance, docking, maintenance, and so forth. A substantial portion of this amount, of course, is represented by purchases which were made on credit.

And this brings us to the necessity for the legislation which I have introduced today. At the present time there is no way that a lien against a boat can be appropriately indicated on its title papers. This has serious implications in connection with the problems that arise when transferring title and certificate of ownership from one owner to another.

Because of the lack of adequate title transfer and lien recording devices, boat owners, boat purchasers, marine dealers and lenders have serious problems. The boat owner is not adequately protected against transfer of title in cases of theft

and expenses incurred against his boat when not in his possession. The new purchaser of a boat is not adequately protected against liens and charges against a new boat when he cannot search the title before he purchases the craft. Similarly, the marine dealer, when accepting a boat in trade and reselling the boat to a new purchaser, is not adequately protected against the liens which were incurred prior to his obtaining possession of the boat. The marine-service man is not adequately protected for services performed on a boat when not in the hands of the rightful owner or when not paid prior to transfer of title.

In addition, Mr. Speaker, the present situation has made the financing of boats unnecessarily difficult. Because there is no adequate lien recording system in the boating industry, lenders generally have been very reluctant to engage in mass financing or purchases such as the automobile business has experienced. Lending institutions feel, and understandably so, that they must be extremely careful in financing the purchase of a boat in order to make sure that there are no prior liens outstanding.

In providing that the form of the certificate of award be revised to include notation of lien, the bill which I offer will entail no additional burdensome detail for the United States Coast Guard. In the case of new boats, under existing law the Coast Guard requires that a builder's statement be submitted to them with the request for the issuance of a certificate of award, while in the case of used boats the certificate of award originally issued must be submitted with the request for a change in the registered owner.

In either case, it will be a simple matter to forward with the request for the certificate of award a copy of the security instrument setting forth the lien holder and the amount of lien so that this information can be included in the preparation of the certificate of award.

I urge, Mr. Speaker, that Congress take this necessary step to stay abreast of the tremendous increase in recreational boating and the demands which accompany this increase.

JUNIOR CHAMBER OF COMMERCE (JAYCEE) WEEK

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Speaker, I would like to call the attention of the House of Representatives to National Jaycee Week, which is being celebrated by some 200,000 young men between the ages of 21 and 35 in over 3,500 communities in these United States.

This is the week that the attention of all the people in this great country should be turned to the accomplishments of young men as exemplified by the honors bestowed upon the 10 outstanding young men of the United States by the United

States Junior Chamber of Commerce this past Saturday in Phoenix, Ariz. These 10 young men were symbols of the truly significant contributions to society that are being made every day not only in the United States but in all the countries of the free world.

During Jaycee Week we honor this distinguished and enterprising organization which has grown from a mere handful of young men who realized the need for an organization based on the principles of "leadership training through community service," in the short span of some 38 years, to an organization that has become one of the most vital currents in the stream of American life. The Junior Chamber of Commerce can well be proud of its accomplishments. They have sponsored such notable projects as the Voice of Democracy Contest, which enables youngsters of high school age to tell the world their views on our democratic way of life. They have given the youth of this Nation the opportunity to become better citizens and to learn true sportsmanship through competition in the fields of golf, tennis, and driving contests and have backed the need for physical fitness in the youth of today. However, they have not limited their activities to youth and have sponsored and demanded better government on the local, State, and national levels. They have continually improved their communities through building programs and by constantly urging their fellow citizens to study and be aware of their Government and to vote for what they believe in. They are among the leaders in seeing that the recommendations of the Hoover Commission are fully studied by our citizens.

I feel that we all owe the Jaycees a debt of gratitude for carrying out their fine program of leadership training in communities throughout the world and for helping produce through community service the leaders of the free world. This reaffirms our faith in the future of America. America cannot help but continue as the leader in these troubled times as long as we can look to young men of action who have not yet been overwhelmed by the magnitude of our problems and who have not traded their spirit of adventure or desire to improve their communities for the safer and more sophisticated path of clinging to the status quo or of sitting back and finding fault with what is being done by others.

Yes, we will continue to strengthen America with the vitality of youth as long as we have organizations such as the Junior Chamber of Commerce that firmly believe that, "the hope of the future lies in the hands of youth and action."

ADDRESS BY SECRETARY OF THE TREASURY ROBERT B. ANDERSON

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include an address by Secretary of the Treasury Anderson.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following are the remarks by Secretary of the Treasury Robert B. Anderson at a salute-to-Eisenhower dinner, Sheraton-Plaza Hotel, Boston, Mass., 6 p. m., Monday, January 20, 1958:

I am honored to join tonight with you and countless other Americans in saluting the President of the United States, Dwight D. Eisenhower. I count it one of the great privileges of my life to be a part of his administration.

I am also honored to have had the opportunity of serving with so many outstanding sons of the Commonwealth of Massachusetts, both in the Congress and in the executive branch of the Government.

Massachusetts ranks high in its contributions to the historical development and the future of this Nation. The Republican Party is proud of the distinguished men and women from the great State of Massachusetts, at the top levels of both the Congress and in the executive branch of the Government.

As we pay tribute to our great President, let us also honor those in his Republican administration, who have contributed to the peace, security, and better well-being of the American people in the past 5 years. It is a record of accomplishment which deserves the continued support of all Americans.

Today, we are face to face with many of the problems of the world with which we have grown accustomed, but we stand at the dawn of man's breakthrough into outer space.

Four centuries ago, the knowledge that mankind lived on a ball whirling in space gradually permeated the 16th century world. Men looked out across the oceans and into the skies and felt a new fear of unknown distances and unknown shores.

But there was time, then, to probe the new lands; time for the sciences of navigation, geography, engineering, astronomy, to gradually reduce the personal dangers of sailing out beyond the sheltered coasts. Nations continued to rise and fall, but geography and natural barriers still played almost as important a part in determining the course of history as they had in the time of the Caesars. Protected by two oceans, our own country grew to maturity without fear of foreign invasion.

Four centuries beyond this age of exploration, the vastness of outer space has become the new world, and each nation's concept of national security has taken on a wholly new meaning. In the space age which we have now entered, the dangerous first voyages and discoveries are no longer a matter of individual adventure or national pride; success is required of us as a Nation and as a people.

In this situation—unprecedented in the history of civilization—we may in all humility recognize the goodness of providence which has placed at the head of our country a man whose moral integrity, warm humanity, experience in world affairs, and capacity for world leadership have made him a symbol of peace to free men everywhere.

As in previous critical times, the President's recent messages have been inspired by his fundamental belief in democracy—a belief in the values and in the ultimate triumph of the democratic process. The programs which have been outlined for meeting the challenge of Soviet scientific achievement show an overwhelming devotion to the basic goal of providing an adequate protection while insuring the strength, the resilience and the power for growth of our free society. Now as always, the President's proposals reflect the determination of our Nation to remain strong in ways that keep the peace. But at the same time, they

reflect an equally firm determination to protect the basic strengths of our economy and our society.

What is the strength of America? What is the American future? These are questions which every American must ask himself. They are questions which only the people themselves can answer—and the whole world is waiting to hear what that answer will be.

Let me start with the first question: What is the strength of America?

We have the most powerful productive engine that the world has ever known.

We have the highest standard of living—not for a few, but for many.

We are a Nation of believers in the future of America, and from our earliest days as a Nation we have faced that future without fear.

We are a Nation dedicated to friendship with others, in actions as well as words.

Yet our most valuable export, and the one prized by others, is still—as it was in 1776—the concept of freedom and humanity for which our Nation stands. In recent years, as the threat of Communist enslavement has grown, we have extended a helping hand to others. We haven't just talked freedom—we have entered into arrangements for mutual security, and the free world has attained a strength which only an alliance of independent and self-respecting peoples can achieve. No free nation is cowering in fear of America, and no free nation ever will.

These are the things for which America stands. They are so familiar, so enduring, that they tend to be taken for granted—by others, as well as by ourselves. Yet the true realists are those who see with clear unbiased vision the source of America's strength—economic, political, and spiritual. That source is freedom—manifested in every phase of the life we have built for ourselves here in our great country.

If we could take a cross section of America on any working day, what aspect of our life might stand out as most characteristic of the way of living we have achieved here? I believe that it would be, not something dramatic—not something stemming from the leaders of Government or industry—but the simple fact that every day millions of independent decisions are being made in our economy. They are being made by businessmen, consumers, housewives, workers, students—by everyone participating in the life of our Nation. They are being made in an atmosphere of freedom, self-confidence, and self-respect which would quite probably be unbelievable to someone knowing only the regimented existence of a police state.

Is this a good thing? Is it something we want to preserve? Can we preserve it, in the face of the Soviet threat?

I believe that America will give a ringing yes to each one of these questions. Widely ranging private initiative and resourcefulness have made our country what it is. They represent the solid foundation underlying the confidence of our people in the future. They constitute a vital aspect of defense which the Soviet rulers have not even bothered to understand, much less to emulate.

This, then, is our greatest strength—not our material achievements, not alone our defense position at a given period of time, but the unlimited scope for free minds to push forward the frontiers of knowledge—to compare, to probe, to experiment, to question, and then to probe again. Mistakes have been and will be made—changes of direction will often be required—but out of the millions of decisions which a free people make every day comes the invincible strength of America.

And what of the American future?

Right now, our economy is passing through a readjustment in many sectors of business. In some areas, there is evidence that the readjustment has run its course;

in others, it may be of longer duration. In the daily decisions of businessmen, investors, consumers, this readjustment is being carefully weighed, as it properly should be. We have had an unprecedented prosperity; the readjustments now going on are in part the consequences of a period of rapid expansion during the past several years. But our basic strengths remain unimpaired; they leave no doubt that we have the ingredients for a healthy economy and one that will expand to meet all essential needs, military and civilian.

It would be a mistake, I feel, for anyone to sell our dynamic economy short for any protracted period. We have the assets for keeping our productive engine operating at a high level. We have the manpower and the skills. We have a growing population with growing needs and demands. We have a belief in the future—and a confidence that the future can bring better living for all of us. We have, in addition, a willingness in our people and our Government to use the mechanisms at our command so as to employ our economic strength in a way which will assure a reasonable rate of sustainable growth.

We are justified in looking to the future with confidence because of the factors making for economic soundness at the present time. What are these factors? We need to review them in order to approach our new tasks as a nation with assurance and vigor.

First of all, we have the industrial capacity, the skilled manpower, and the managerial talent for producing an expanding volume of goods and services. This is a factor whose importance can scarcely be exaggerated. Our industrial capacity is sufficient to meet all essential defense and civilian needs without undue strain—providing we use our resources wisely.

The postwar decade as a whole has been marked by an extraordinary volume of business investment in plant and equipment. From 1946 through 1957, such investment totaled over \$300 billion—a dollar outlay equal to United States military expenditures during World War II, 1941–1945. Moreover, industrial capacity will be further enlarged and modernized this year. Business plans for fixed investment in the calendar year 1958 exceed actual spending in any previous years except 1956 and 1957. In short, we are continuing to improve and expand our basic economic mechanism—already by far the most productive and most flexible in the world today.

Growth in the labor force—a part of our growth in population—will provide three-quarters of a million new workers within the next year.

Output per man-hour in the private non-farm sector of the economy has been increasing at an average rate of more than 2½ percent a year for the postwar period. Agricultural productivity has been increasing even more rapidly. As a result in part of the readjustment now going on in the economy, incentives are currently very strong for reducing costs and maximizing efficiency. There are many reasons to expect that productivity gains in the period just ahead will at least match the long-term growth rate.

Along with these capacities, we have an efficient financial system fully capable of providing the short- and long-term financing necessary for high and rising levels of activity.

These are some of the productive resources of our Nation, vitalized and nourished by the resourcefulness and energy of the American people. On the other side—calling upon these resources for fulfillment—are the increasing expenditures to ensure a strong defense position, the increasing opportunities opened up by science and technological advance, a more rapid pace of activity in certain State, local, and Federal programs, and the continued desires and drives of a growing

population to augment individual living standards and maintain national well-being.

Viewed in perspective, our long-term problem is surely not one of too little demand for the available output of American industry. It is, rather, a wise use of our capacity so as to meet competing demands without endangering the source of our strength—the vitality of the American economy.

Turning for a moment to the short-term situation, there are a number of factors which indicate that the present loss of momentum in the economy may not be of long duration.

First, numerous adjustments in output, materials, prices, and manpower utilization have already taken place. Likewise, reduction of inventories which has already occurred in many lines has brought a better balance of market supply with demand.

In the financial markets, there have been prompt and responsive readjustments in such factors as the relation of the yields of common stocks and bonds and in interest-rate levels. Credit availability is adjusting itself to provide more opportunities for investment in new projects and the enlargement of others.

Revival in residential housing markets and in residential construction has been a sustaining influence in construction activity for recent months, and with loanable funds now more readily available, housing activity may well be an element of strength in the period ahead. Added to this will be an increasing pace of activity in certain Federal programs, such as highway building, and in a number of State and local activities involving various types of community facilities.

The agencies of the Government will be administering their defense and domestic programs so as to provide a maximum contribution to employment, production, and purchasing power.

Most important of all, however, is the fact that confidence of the American people has remained strong during the adjustment taking place in domestic activity and in the face of disturbing events in the international scene and this confidence is, in my belief, consistently increasing.

It is against this background of strength and confidence in the American economy and among the American people that the President has presented his program in answer to the Soviet challenge. The President's budget is a practical and prudent document that will add significantly to our military strength while recognizing that "the productivity, the adaptability of the American economy is the solid foundation stone of our security structure."

In addition to outlining an effective program for Federal action, the President has made it clear that we shall continue to adhere to those principles of governmental and fiscal soundness which contribute so much to the economic stamina of our Nation.

These principles, as they have recently been set forth by the President, are economy in expenditures; efficiency in operations; promotion of growth and stability in a free-enterprise economy; a vigorous Federal-State system; concern for human well-being; priority of national security over lesser needs; revenues adequate to cover expenditures and permit debt reduction during periods of high business activity; and, finally, simplification of the tax structure and reduction of taxes when possible.

These are the basic guides of sound government policy which the President again emphasized in the budget message of January 13. No one of these objectives has been pushed aside or minimized in the face of the Soviet challenge. Instead, they have been restated strongly and fearlessly as the principles we live by and intend to go on living by in the future.

The very statement of these principles however, underscores the fact that the actual power of decision in this country rests with

millions of free people. Economy in Government, efficiency in administration, giving up lesser needs to achieve a sound defense program, these and every one of the other goals outlined by the President depend for their success on a nationwide acceptance of responsibility for the affairs of Government. In the last analysis, governmental policies take effect in our democratic system because we, as individuals, have decided that they are good and right. The President and the Congress can point the way. They can set up programs and these can be enacted into law. But, as our history has proved many times, very little progress can be achieved in the long run without the understanding and support of the people of the Nation. Facing up to problems, self-discipline, actually helping to shape the course of government; these are the responsibilities of every citizen in a free country.

This is no light burden. Every American is behind the President in his determination to devote the necessary resources and funds to building an adequate defense. But we need to stand behind him also in his determination to build that defense without weakening the economy.

This means, of course, that some peacetime programs will require strict evaluation and impose the necessity for making difficult choices. Our defense requirements increase, rather than lessen, the importance of prudent and economical use of our resources in every area. They increase, rather than lessen, the need for prudent financial management. As the President has said with respect to our military position: "Our real problem, then, is not our strength today; it is rather the vital necessity of action today to insure our strength tomorrow."

Let us never forget that the responsibility for the ultimate success of actions taken by our Government in the months ahead lies with the people—with each one of us. Each one of us has a responsibility for understanding the issues before the country, for thoughtful appraisal of them, and, finally, for participation in their solution. Only if we accept these responsibilities can our Nation fulfill the task of leadership in the cause of peace and freedom which our President has so clearly and forcefully set before us.

The tasks which lie ahead of us demand responsibility of all the people. They cry out for willingness to lay aside all that is trivial and for unity in all that is important.

The Republican Party must continue to fulfill its task of leadership in the cause of peace and freedom. It must stand united in support of those things which bring us protection and undergird us with economic strength.

Our dedication must be to responsible action. Our efforts must be directed toward unity of purpose. Our achievements must add up to the accomplishment of the task which the President has set for us—the betterment of mankind in a world of security and peace.

EXTENSION OF PRESENT TRADE AGREEMENTS

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, this is the second of a series of speeches I plan to make in an effort to keep my colleagues in the House advised of the misleading propaganda being used by the administration and the several departments of the Government concerned in an effort to force approval of a 5-year extension of our present trade agreements, with

added authority to the President to further reduce import duties.

This past week, I severely criticized the State Department for using the taxpayers' money, provided in their appropriation, for the publication of a booklet under the caption, "Together We Are Strong," which contained a mass of misinformation and downright falsehoods in an effort to mislead the American people into thinking that it was necessary to extend these trade agreements and give the President added power to further complicate the problems facing a great majority of our domestic producers who are presently meeting too much competition from foreign articles made by underpaid workmen with a lower standard of living than the standard of wages and working conditions set up for our American workmen.

Today, Mr. Speaker, I want to pay my respects to another Federal Department which is anxiously trying to edge into the Hollywood show the great Eric Johnston is organizing to further mislead the American people.

I refer to the Commerce Department and particularly to the bluenosed aristocrat from Massachusetts, Sinclair Weeks, head of the Department of Commerce.

One of the amusing acts in the great Eric's show will be enough to create a belly-laugh. Imagine if you can, my colleagues, this traditional protectionist trying to out new deal Roosevelt, Truman, and President Eisenhower. Such change of face on the part of this new Sinclair is enough to cause his Pilgrim ancestors to turn over in their graves.

Here is what Mr. Weeks proposes. He has already advised the Members of Congress, under date of January 13, 1958, that he has been selected as Chairman of the Trade Policy Committee established by Executive Order on November 25, 1957. This Committee, he goes on to inform the Congress, is composed of the Secretaries of Commerce, State, Treasury, Defense, Interior, Agriculture, and Labor.

I fail to find anything in our present tariff laws, including our reciprocal trade agreements, that empowers the President to create another bureau of government, at a great expense to the taxpayers, which would largely duplicate the present duties of the Tariff Commission and add numerous jobs to the already overloaded Federal payroll. He further explains that the committee is set up to advise the President on the action he should take on the findings of the Tariff Commission affecting import duties and quota limitations.

I begin to understand now why the President is asking for money in the current budget to build added office facilities at the White House. No doubt, the great Sinclair wants office space there for his experts who will determine what advice the President should have. Here I would like to make the point that I know of no group better able to give him advice than his own self-appointed Tariff Commission. There is no sound logic in setting up a duplicate bureau.

At this time, Mr. Speaker, I would like to include in my remarks some excerpts

from Mr. Weeks' letter to the Members of Congress outlining the duties of his recently created Committee as follows:

It will be the responsibility of the Trade Policy Committee to review the reports (findings and recommendations) of the Tariff Commission submitted to the President relating to escape-clause cases and relating to review of prior escape-clause modifications of tariff concessions; and the Trade Policy Committee will make recommendations to the President as to what action he should take on such report.

The President already has a committee on reciprocity. Mr. Weeks fails to say that this new Committee which he is to head will supersede the reciprocity committee. It is just possible that both groups may continue to function and the President will not lack information. I would like to make a point that he is already getting too much of the wrong kind of information.

A careful reading of this excerpt would indicate that this illegitimate group would not only advise the President on current orders of the Tariff Commission, but would review all prior action taken by the Tariff Commission under the escape-clause provision. Why all this duplication? What better advice could the President need than the records of the Tariff Commission that are based on sworn testimony and the facts presented?

It is interesting to note how they propose to nullify the present escape-clause provisions in the act. I quote further:

From time to time the Tariff Commission will present a report for Presidential action. The Executive Secretary of the Trade Policy Committee will receive these reports and circulate copies to each member of the committee. Thereafter, a meeting of the committee will be convened for discussion of the Tariff Commission report and the various views submitted. The product of this meeting will be a report to the President presenting the comprehensive viewpoint of the committee, including concurring and divergent views. The report will include a specific recommendation for Presidential action.

It is interesting to note how this unauthorized group, composed of the Secretary of Commerce, Secretary of State, the Secretaries of Treasury, Defense, Interior, Agriculture, and Labor propose to invade and subvert the powers of the Congress to regulate commerce, to make treaties, and to fix tariffs.

I quote:

From time to time the Trade Policy Committee will be presented with problems relating to basic policy decisions as contemplated by the Executive order. These subjects, in the form of proposals, shall be circulated to all members of the Trade Policy Committee and meetings will be held promptly at the request of any member of the Trade Policy Committee, culminating in a report to the President indicating concurring and divergent views and with specific recommendation for Presidential action.

At the request of any member of the Trade Policy Committee, the Committee will be convened to discuss any policy issue, which may arise in the administration of the trade-agreements program. To facilitate the task of selecting policy issues for Trade Policy Committee consideration, all documents of the Trade Agreements Committee (e. g., position papers for GATT meetings)

will be transmitted to the Executive Secretary of the Trade Policy Committee for circulation to its members.

The staff of the Trade Policy Committee will include an Executive Secretary of the Committee located in the Department of Commerce.

SINCLAIR WEEKS, *Chairman,*
Trade Policy Committee.

Congress has never formally ratified the General Agreements on Tariffs and Trade—better known as GATT—with headquarters in Geneva, Switzerland. Here is plain proof of their intention to continue this illegitimate action in completely ignoring the Congress.

I urge you, my colleagues, to join hands now in an effort to regain your authority when the trade agreements come up for renewal at this session.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Iowa.

Mr. GROSS. I thought Eric Johnston was going to take over the foreign giveaway program.

Mr. BAILEY. I would like to inform the gentleman from Iowa that Mr. Johnston has been added to the staff of the President's office for the sole purpose of putting on a show to put across the 5-year extension of our present trade agreements. He is already on the job getting it organized.

WHAT IT TAKES TO MAKE A SUCCESS IN FARMING

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. HORAN] is recognized for 10 minutes.

Mr. HORAN. Mr. Speaker, I have taken this time in order to report to my colleagues and the Congress on a progress report on the subject of just what it takes to make a success in farming. I want to call attention to a publication of the United States Department of Agriculture, Agricultural Information Bulletin No. 180, which is entitled "Farm Resources Needed for Specified Income Levels." I have been requesting this study for 6 years, and I am happy that my insistence has, at last, been rewarded. I am pleased today to be able to make some remarks concerning this new bulletin which the Agriculture Research Service has just issued. To those of you who might wish to obtain copies of this bulletin, I repeat, it is Agricultural Information Bulletin No. 180.

This report deals with these questions in terms of specified types of farms in six widely separated areas: Cotton-beef farms in the Piedmont of South Carolina; dairy-cotton farms in western Tennessee; cotton farms in eastern Oklahoma; dairy farms in eastern Wisconsin; wheat-beef farms in the Central Plains of Kansas; and wheat farms in the Triangle-Judith Basin of Montana. An additional study, I understand, will deal with the Columbia Basin in Washington.

Just what do you have to have in order to start farming today? Prior to this new study, I doubt that anyone really knew. The attraction of rural life has always been alluring to folks who live in

urban confines or have felt the oppression of cosmopolitan canyons of stone and brick and steel. Many have migrated to the country without knowledge of farming and attempted to succeed in a field of enterprise about which they knew nothing. They have failed. They have failed miserably and have become members of a class that many of us in the Congress sincerely want to help. It is futile, however, to discuss the small farmer or try to discuss the plight of the family-size farm without a full knowledge of just what is involved.

Bulletin No. 180 serves to give us prior knowledge. It should be further developed to the end that those who aspire to enter farming might know what is required—and also that those of us who want to protect and assist them know what we are doing.

Certainly we need to know what financial and intellectual resources are required when we attempt to help a man succeed in farming through the Farmers' Home Administration. There we are trying to help a man who cannot get credit elsewhere.

We do him little good if we grant him a Federal credit on an enterprise that cannot possibly succeed.

We need benchmarks for our judgments. Bulletin 180 promises to supply them. For instance, the report shows that to realize annual earnings of \$2,500, the investment needed for farms in specific situations varies from \$14,000 for an eastern Oklahoma cotton farm to more than \$89,000 for a Montana wheat farm. A similar level of earnings can be made with investments of \$26,900 for a South Carolina Piedmont cotton-beef farm, \$24,000 for a dairy-cotton farm in western Tennessee, \$37,000 for a Wisconsin dairy farm, and \$80,000 for a beef-wheat farm in central Kansas.

To realize annual earnings of \$3,500, farm investments range from \$17,000 for an Oklahoma cotton farm to \$122,000 for a Montana wheat farm.

The differences in necessary investment are due to the widely varying proportions of investment and labor required to produce a given level of operator earnings under different systems of farming. The Oklahoma cotton farm, for example, requires less than one-sixth of the investment of the Montana wheat farm, but the amount spent annually for labor on the cotton farm is more than 6 times that spent on the wheat farm.

I really feel that a perusal of Bulletin 180 will astound you and I commend it to your reading.

I strongly feel that it will revise all of your thinking about the entire farm picture. It will color your approach to farm legislation and eventually assist in the appraisal of every phase that relates to our agricultural industry and the underlying philosophies which support it.

I suppose it is a part of our American heritage for us to recall the time when a man could start a successful rural business with "40 acres and a mule"—and again it is a part of the legend of the West to refer to a successful farmer as one who "came here 50 years ago with

nuthin' but a poke on a stick." Those times are past.

All of us have seen a mechanical revolution take place in our own lifetime. The radio, automobile, airplane, the vast spread and use of electricity, the development of home appliances—everywhere we look we see our way of life completely changed from that of our grandfathers. We look forward to another great revolution generated by nuclear physics and the atom age.

Nor has this change left the farmer untouched—to compete and succeed, he must have at least the essentials of mechanical help. The farm equipment industry has become one of the giants of our time. I can remember as a youth, watching early day combines being pulled through the wheatfields of eastern Washington by horses. It was quite a sight to see 32 horses harnessed together, hauling one of those pioneering combines designed to speed up the business of harvesting wheat.

I saw horses replaced by the steam tractor, and then in the late 1920's the steam tractor gave way to the diesel tractor and the one-man combine.

What has happened to wheat raising has happened to all agriculture. To succeed he must keep up with the times; he must meet the efficiencies of other farms as they acquire and use new methods and inventions. This does take money and the knowledge that must attend the use of these new equipments.

I would also like to pay my respects to those who prepared this and thank Dr. Byron T. Shaw, Administrator of the Agricultural Research Service; Mr. John M. Brewster, agricultural economist, Farm Economics Research Division; Mr. James A. Munger, agricultural economist, also of the Research Service; and the following economists of the Farm Economics Research Division of the Agricultural Research Service: Mr. C. P. Butler, South Carolina; Mr. S. W. Atkins, Tennessee; Mr. W. F. Lagrone, Oklahoma; Mr. Emil Rauchenstein, Wisconsin; Mr. C. W. Nauheim, Kansas; and Mr. D. C. Myrick and Mr. Howard Hjort, Montana.

If we would help this and future generations to succeed in the business of farming, we need to fully know what success in farming requires.

The following is a letter received from Dr. Shaw:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D. C., January 14, 1958.

HON. WALT HORAN,
House of Representatives.

DEAR CONGRESSMAN HORAN: I am enclosing a copy of Agriculture Information Bulletin No. 180, Farm Resources Needed for Specified Income Levels. I thought you would be interested in receiving this report because of your interest in the size of farm needed in different areas to obtain fairly adequate farm incomes. This report covers the six farming areas shown on page 8. A more detailed study of sizes of farms and related problems was undertaken in the Columbia Basin, and a separate report is being prepared on that area.

You will note that the operator earnings levels in the attached report represent the net income available to the operator for his

labor and management after deducting a wage allowance for unpaid family labor and an interest charge on the farm investment.

The report shows that to realize annual earnings of \$2,500, the investment needed for farms in specific situations varies from \$14,000 for an eastern Oklahoma cotton farm to more than \$89,000 for a Montana wheat farm. A similar level of earnings can be made with investments of \$26,900 for a South Carolina Piedmont cotton-beef farm, \$24,000 for a dairy-cotton farm in western Tennessee, \$37,000 for a Wisconsin dairy farm, and \$80,000 for a beef-wheat farm in central Kansas.

To realize annual earnings of \$3,500, farm investments range from \$17,000 for an Oklahoma cotton farm to \$122,000 for a Montana wheat farm.

The differences in necessary investment are due to the widely varying proportions of investment and labor required to produce a given level of operator earnings under different systems of farming. The Oklahoma cotton farm, for example, requires less than one-sixth the investment of the Montana wheat farm, but the amount spent annually for labor on the cotton farm is more than 6 times that spent on the wheat farm.

The sums available for family living on farms with \$2,500 annual operator earnings varied, depending upon how much equity the family had in the farm. If the families became full owners of the farms under an acquisition plan involving both a real-estate loan and a 6-year non-real-estate loan equal to half the market value of livestock and equipment, the amount available for family living before retiring the non-real-estate loan was about \$2,000 to \$3,000 annually. After retiring this loan, the amount available for family living ranged from \$3,100 to \$3,800. After retiring the real-estate loan, income available for family living rose to a range of \$3,500 to \$6,400. These conclusions are useful for determining safe credit commitments.

Sincerely yours,

B. T. SHAW,
Administrator.

Mr. HORAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, on tomorrow, for 15 minutes.

Mr. CRAMER (at the request of Mr. MARTIN), for 1 hour, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HOLLAND and to include a speech.

Mr. PORTER and to include extraneous matter.

Mr. ZABLOCKI and to include extraneous matter.

Mr. GORDON (at the request of Mr. ZABLOCKI) in one instance and to include extraneous matter.

Mr. ANFUSO (at the request of Mr. ZABLOCKI) in two instances and to include extraneous matter.

Mr. BURDICK.

Mr. BEAMER and to include extraneous matter.

Mr. SIMPSON of Pennsylvania and include a speech by Hon. Sherman Adams, assistant to the President of the United States.

Mr. BARTLETT (at the request of Mr. MILLS) and to include extraneous matter.

Mr. FLOOD (at the request of Mr. MILLS) and to include extraneous matter.

Mr. REED and to include extraneous matter.

Mr. HENDERSON and to include extraneous matter.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.), the House adjourned until tomorrow, Wednesday, January 22, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1489. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets"; to the Committee on Armed Services.

1490. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Facilities Corporation, Office of Production and Defense Lending, Treasury Department, for the period February 1 through June 30, 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 312); to the Committee on Government Operations and ordered to be printed.

1491. A letter from the Assistant Attorney General, transmitting a report in connection with the restoration of balances withdrawn from appropriation and fund accounts, pursuant to the act of July 25, 1957 (31 U. S. C. 701-708); to the Committee on Government Operations.

1492. A letter from the Administrator, Veterans' Administration, transmitting the Veterans' Administration's report on its activities in the disposal of foreign excess property, for the period January 1, 1957, through December 31, 1957, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

1493. A letter from the Secretary of the Interior, transmitting the third annual report of activities and research conducted by or under contract with the Fish and Wildlife Service of the Department of the Interior to encourage the distribution of domestically produced fishery products for the fiscal year ending June 30, 1957, pursuant to the act of July 1, 1954 (68 Stat. 376), as amended by the Fish and Wildlife Act of 1956 (70 Stat. 119); to the Committee on Merchant Marine and Fisheries.

1494. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Thui Yet Chow, A-5239727, involving suspen-

sion of deportation under the provisions of the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H. R. 10146. A bill making supplemental appropriations for the Department of Defense for the fiscal year ending June 30, 1958, and for other purposes; without amendment (Rept. No. 1288). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN of Georgia: Joint Committee on Defense Production. Seventh Annual Report of the Joint Committee on Defense Production. (Rept. No. 1289.) Referred to the Committee of the Whole House on the state of the Union. (See S. Rept. 1172.)

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 1290. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H. R. 10146. A bill making supplemental appropriations for the Department of Defense for the fiscal year ending June 30, 1958, and for other purposes.

By Mr. REES of Kansas:

H. R. 10148. A bill to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ASHLEY:

H. R. 10149. A bill to amend the act of June 7, 1918, to provide for the notation of liens, mortgages, and other encumbrances on the certificate of award issued for a vessel under that act; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT of Florida:

H. R. 10150. A bill to incorporate the Navy Wives Clubs of America; to the Committee on the Judiciary.

By Mr. BOLAND:

H. R. 10151. A bill to provide certain flood control measures on the Chicopee River in Massachusetts; to the Committee on Public Works.

By Mr. BOYLE:

H. R. 10152. A bill to amend paragraph 1774 of the Tariff Act of 1930 to provide for the free importation of iconostases and the doors thereof for use by certain religious organizations; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H. R. 10153. A bill to amend title II of the Social Security Act to provide that a State, in extending social security coverage to its employees by an agreement under section 218 of such act, may not exclude services compensated on a fee basis; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 10154. A bill to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts; to the Committee on the Judiciary.

By Mr. DOOLEY:

H. R. 10155. A bill to provide for the admission of the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

By Mr. FINO:

H. R. 10156. A bill to provide appropriate public recognition of the gallant action of the steamship *Meredith Victory* in the December 1950 evacuation of Hungnam, Korea; to the Committee on Merchant Marine and Fisheries.

H. R. 10157. A bill to amend the Annual and Sick Leave Act of 1951 to provide lump-sum payment for the unused sick leave to the credit of an officer or employee immediately prior to his separation from the service on retirement; to the Committee on Post Office and Civil Service.

By Mr. FISHER:

H. R. 10158. A bill to extend the authority of the Secretary of Agriculture to make special livestock loans, and for other purposes; to the Committee on Agriculture.

By Mr. GRIFFIN:

H. R. 10159. A bill to establish a Commission on the Establishment of a United States Academy of Science; to the Committee on Armed Services.

By Mr. HYDE:

H. R. 10160. A bill to revise and modernize the fish and game laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JUDD:

H. R. 10161. A bill to amend the Immigration and Nationality Act to provide that that portion of the Ryukyu Islands over which the United States exercises jurisdiction shall be regarded as a separate quota area; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 10162. A bill to prohibit the charging of a fee to view telecasts in private homes; to the Committee on Interstate and Foreign Commerce.

By Mr. MASON:

H. R. 10163. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Chicago International Fair and Exposition, to be held in July 1959 at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. MORANO:

H. R. 10164. A bill to prohibit the charging of a fee to view telecasts in private homes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS:

H. R. 10165. A bill to authorize the conveyance of certain real property of the United States to the County of Sacramento, Calif.; to the Committee on Armed Services.

By Mr. SHUFORD:

H. R. 10166. A bill to extend and liberalize the direct home-loan program for veterans, to extend the guaranteed home-loan program, to provide special assistance to paraplegic veterans under the direct home-loan program, to stimulate the making of direct farm-housing loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WHITTEN:

H. R. 10167. A bill to amend the Agricultural Act of 1949, as amended; to the Committee on Agriculture.

H. R. 10168. A bill to enable the Secretary of Agriculture to release cotton acreage from the acreage reserve for the 1958 crop year, to establish a substitute for the acreage reserve program for cotton, and for other purposes; to the Committee on Agriculture.

By Mr. BERRY:

H. R. 10169. A bill to amend the Agricultural Act of 1949 to provide for price sup-

port at parity for the first 3,500 bushels of wheat produced on each farm; to the Committee on Agriculture.

By Mr. BOGGS:

H. R. 10170. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BROOKS of Louisiana:

H. R. 10171. A bill to amend title 10, United States Code, to provide term retention contracts for Reserve officers; to the Committee on Armed Services.

By Mr. BUCKLEY:

H. R. 10172. A bill to provide for the annual audit of bridge commissions and authorities created by the act of Congress, for the appointment of members thereof, transfer of functions, and for other purposes; to the Committee on Public Works.

By Mr. BURNS of Hawaii:

H. R. 10173. A bill to provide for the transfer of title to certain land at Sand Island, T. H., to the Territory of Hawaii, and for other purposes; to the Committee on Armed Services.

By Mr. CRETELLA:

H. R. 10174. A bill to amend the Lanham Act to provide a preference in the purchase of housing thereunder to the widows of veterans; to the Committee on Banking and Currency.

By Mr. DOOLEY:

H. R. 10175. A bill to provide for posting information in post offices with respect to registration and voting, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LANDRUM:

H. R. 10176. A bill to amend the Poultry Products Inspection Act to clearly authorize the Secretary of Agriculture to waive the requirements of section 10 thereof under such conditions and to such extent as he may prescribe in connection with inspection under the act prior to January 1, 1959; to the Committee on Agriculture.

By Mr. LANE:

H. R. 10177. A bill to create a presumption that certain impairment of health caused by hypertension or heart disease of a Federal or District of Columbia employee is incurred in line of duty for purposes of certain retirement and disability compensation laws or systems; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H. R. 10178. A bill to amend the Vocational Rehabilitation Act to provide additional Federal support to States and certain non-governmental agencies to enable them to carry out adequate demonstration programs for the vocational rehabilitation of the physically handicapped; to the Committee on Education and Labor.

H. R. 10179. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. SIKES:

H. R. 10180. A bill to amend the National Science Foundation Act of 1950 to encourage the training of additional engineers and scientists and the expansion of facilities for engineering and science education by providing scholarships and fellowships for engineering and science students; to the Committee on Interstate and Foreign Commerce.

By Mr. ALEXANDER:

H. J. Res. 506. Joint resolution to designate the 1st day of May of each year as Loyalty Day; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. J. Res. 507. Joint resolution to establish the Verrazano-Hudson-Champlain Celebra-

tion Commission; to the Committee on the Judiciary.

By Mr. BOYLE:

H. J. Res. 508. Joint resolution to authorize the President to proclaim the second Sunday in January each year as National Family Day; to the Committee on the Judiciary.

By Mr. TELLER:

H. J. Res. 509. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York, N. Y., from May 7 to May 17, 1958; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 10147. A bill to permit Hon. FRANCIS E. WALTER, Member of Congress, authorization to accept the award of Cross of Commander of the Order of Orange-Nassau conferred upon him by Her Majesty the Queen of the Netherlands.

By Mr. BAILEY:

H. R. 10181. A bill for the relief of Mrs. Drina Sinovic and Vincence (Vincent) Sinovic; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 10182. A bill for the relief of Harry (Zwi) Goldenberg (Sponder); to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H. R. 10183. A bill for the relief of Mrs. Sumiko Igawa Nomura; to the Committee on the Judiciary.

By Mr. DOOLEY:

H. R. 10184. A bill for the relief of Fal Ying Chan (Chin); to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 10185. A bill for the relief of Mr. and Mrs. Zsigmond Balla and daughter Julia; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. R. 10186. A bill for the relief of Jan Libiszewski; to the Committee on the Judiciary.

H. R. 10187. A bill for the relief of Renata Falkiewicz; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 10188. A bill for the relief of Alexander Hahn and Suzanne Hahn; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 10189. A bill for the relief of Adamantia Andrikopoulous (Pappas) Papavasilou; to the Committee on the Judiciary.

By Mr. SISK:

H. R. 10190. A bill for the relief of Ashghen and Hagop Tozlian; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H. R. 10191. A bill for the relief of Dr. Jack McGillivray Tedford; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

361. Mr. SMITH of Wisconsin presented a petition adopted unanimously at the annual meeting of the Metal Treating Institute in Chicago on November 3, 1957, stating the position and attitude of the industry and its anxiety to cooperate and be of service in any activity in keeping with the skills and facilities of its members, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

Address by Sherman Adams

EXTENSION OF REMARKS
OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement and address:

Representative RICHARD M. SIMPSON, chairman of the Republican Congressional campaign committee, today urged the American people to read carefully the text of a speech by Sherman Adams, Assistant to the President, if they want to keep the record straight on the difference between the Democrat and Republican Parties.

The Pennsylvania Republican said that of all the "good speeches delivered at Republican fund-raising dinners, the night of January 20, the speech of Mr. Adams is closest to the hearts of Republicans.

"It was a fighting Republican speech, and it set the record straight on just where the blame lies for the sorry mess this Nation was in when Republicans took over in 1953.

"Mr. Adams cites chapter and verse where Democrats failed the Nation in building a modern military defense. His proof is irrefutable and should be required reading for the chairman of the Democrat National Committee and his stable of political orators in Congress and elsewhere who have been so glib of late in glossing over the facts of our security.

"I commend Mr. Adams for his courage and intelligence in helping the Republican Party set the record straight. I am sure the American people will also."

TEXT OF ADDRESS BY SHERMAN ADAMS, THE ASSISTANT TO THE PRESIDENT, DELIVERED AT THE MINNESOTA UNITED REPUBLICAN DINNER, LEAMINGTON HOTEL, MINNEAPOLIS, MINN., MONDAY EVENING, JANUARY 20, 1958

Fellow Republicans, before I say I am glad to be here, I had better explain something.

For a New Hampshire man to develop a feeling of being at home, as far away as this, reminds me that we used to think of Minnesota as a pretty wild and woolly country. When I was a boy, the travel of an average American citizen was 300 miles a year. So, setting out for Minnesota was a pretty foolhardy venture, and nobody ever expected to see the traveler again.

Well, times have changed, and you in Minnesota and we of New England have come to adopt a more neighborly point of view. Of course we in New England celebrated our centennials long ago, before any of us were born. Although centennials with us are now celebrations of the Johnny-come-latelies, we nevertheless wholeheartedly share your pride in the achievement of the first 100 years of your great State of Minnesota.

The fact is, you Minnesotans are our kind of people.

As a onetime woodsman, I get a Paul Bunyan kind of zest when I recall from childhood that this region was covered with towering timber and, in lumber production, led all but two States in the Union.

So a woodsman from the other end of the Great Lakes senses kindred spirits and common values here. That's also why, perhaps, as I contemplate Minnesota of today and of earlier years, there comes to mind the defiant

words of my own State's motto—"Live free or die." That resolute attitude accords with your traditions as well as mine.

So by our own restrained self-appraisal, we can agree that grit, character, and strength characterize the people of our two States. Now I also must grudgingly concede that these attributes are not ours alone. They belong as well to others.

Now, these past 5 years I have come to know a remarkable man. The great qualities I have mentioned, and many others, he possesses to a superlative degree. Born a Texan, he was raised a Kansan. An ardent admirer of Colorado and Georgia, for a short time a New Yorker, today he is a Pennsylvanian. And yet this man really belongs to every State and to all our people. Beyond that, he is beloved throughout the world and is a symbol of hope to all mankind. Though not from New Hampshire, nor from Minnesota, yet the grit, character and strength we prize in the people of our States this man has aplenty—as much as anyone I expect ever to know.

You know this man in some respects almost as well as I do; as leader of our party, as leader of our Nation and literally the leader of the Free World—our great President, Dwight D. Eisenhower.

A few thoughts about him I would like to share with you this evening.

Because of recent miracles of science and technology, we live in the most dangerous, yet most promising, period of all the ages. In such a period our President means more to all of us than perhaps we realize.

This question will help make my meaning clear.

What is it that we the people want most of all?

Surely, foremost in all of us is one deep yearning: above all else, we want a lasting peace. We want an end to the tensions, suspicions and hatreds in the world. Coupled with this we want the arms race stopped. We want to turn to the betterment of all mankind the genius and vast wealth being consumed in ever greater amounts by devices of death and destruction.

This longing for peace relates directly to President Eisenhower.

For in matters of peace and war, no other man in our time has the rich experience, the wise understanding that he has. Nor has any other such confidence and respect of world leaders or his unshakable determination to build an enduring peace.

So it is that no other man in our time is as likely as he is to achieve a genuine peace.

Nor is any other as likely to save humanity from the holocaust of nuclear war.

For such a leader to guide us and the Free World in such a time, all of us should be profoundly thankful.

And next to peace, what do we want the most?

The answer, I believe, is strength.

We want military strength. We use it to keep peace while we build the peace.

We want economic strength. We need it to stay militarily strong. We need it to generate new opportunity for those who come after us.

We want spiritual and moral strength. This we need to maintain our will, our self-reliance, our confident enterprise on which economic vigor and growth depend.

I

Military strength: Who above all others in America today can best marshal that strength, is best equipped to direct it, and least likely to let petty considerations unbalance and erode it away?

Again, our President—one of the great military captains of all history.

Now, here, I have a few parenthetical observations.

Nowadays, back in Washington, hardly a day goes by but that some armchair strategist intones doom for America. Nor hardly a day goes by but that some political soothsayer first proclaims, then bemoans, American weakness. Disaster is too mild a word to describe our pitiful plight.

There is an interesting aspect to this. In large measure this professional shuddering comes from those whose attitude about defense has been dictated by political expediency.

Now I realize that the predicament of our political opposition calls for sympathy. They are driven unmercifully to find a political paste that will bind together their party of the North and their party of the South to give them the appearance of having common goals.

But, even so, they ought to know better than to keep on politicking with national defense. As a matter of fact, they ought to be called strictly to account by the American people for using this subject as party glue.

I'll say simply this: We Republicans greet the opposition on this battlefield with as much anticipation as on any other they can conjure up.

In such a contest, we have abundant ammunition.

We do not need to bring up the military catastrophe of Pearl Harbor nor the scientific catastrophe of losing our atomic secrets.

Nor do we need to dwell on policies that led to the Red invasion of Korea, nor the plight of our defenses when the invasion began, nor the handcuffs put upon our conduct of that war. We need not even refer to the tragic loss of China, nor the surrender of positions of freedom throughout the world.

We can also ignore at the moment the wasteful and crippling defense planning between World War II and the following war they couldn't end.

Right now, checking back only a year is enough.

Last year the President proposed \$38½ billion for defense. The opposition sponsored a \$2.5 billion cut. Too much for the military they said.

Now off they ricochet again. The President's defense budget this year is about \$39.5 billion. That's \$3½ billion more than the opposition was willing to grant last year. Yet many of them are now whooping it up for more. Their cry indicates a no more objective appraisal of our defense needs than their cry 9 months ago to slash satellite, research and development, missile, and other defense programs.

As for missiles, sputniks, space control and the like, I remind you of a significant fact:

Not until 1952—the last year of the Democratic national administration—did our country start spending even as little as a million dollars on long-range ballistic missiles. Today, 5 years later, we spend over a thousand times as much. Complacency? Maybe so—but whose? Penny-pinching in defense? Maybe—but whose? Failure to act in time to assure the Nation's safety? Perhaps. But whose failure was it?

I have another fact or two. From World War II until 1953, our country's long-range ballistic missile program was as dead as the proverbial dodo. Meanwhile, the Soviets were going full speed ahead. In

those 8 critical postwar years our Government spent only \$3½ million on these weapons. "M" for millions. That, my friends, averages out to about \$437,000 a year. In only 2 years of the same period the previous administration spent \$50 million for peanuts. That's 60 times more for peanuts than for long-range missiles.

Now, 1953 was the first postwar year that the opposition was relieved of its administrative responsibilities so it could devote its full energies to its real talent—just talking. At long last, the long-range missile program was taken out of the deep-freeze where President Eisenhower found it. He put life into it. He turned it quickly into a herculean effort.

From the \$437,000 a year average from 1945 to 1953, the long-range missile program has zoomed to over a billion dollars a year. That is 2,000 times as much. There is no complacency in that kind of action.

Thor and Jupiter are 1,500-mile missiles. Neither one existed before this Republican administration. They were born 2 years ago. Yet already they are being put into production.

Atlas is a 5,000-mile missile. It was born 11 years ago. Now, that was fine. That action in 1946 showed vision, imagination and foresight. It should have put America ahead of the Soviets in long-range rocketry and sputniks as well. But there was just one trouble. In 1949, after having put up a couple of million dollars in 1946, the last administration killed the Atlas program to save money. President Eisenhower picked it up. He gave it priority over all else in the Defense Establishment. Today, as a result, this weapon shows tremendous promise.

Polaris is a submarine-based 1,500-mile missile. It promises to become one of the most significant weapons in America's arsenal. Polaris was born just over a year ago. Its development is racing forward as fast as scientists and engineers can make it go.

Before these efforts there was, in respect to these missiles, nothing—nothing, that is, in our country, although there was plenty going on in Russia. Today the whole missile program is running into figures far in excess of the World War II Manhattan project which developed the atomic bomb. Each of these new weapons has been advanced at tremendous speed in an effort to compensate for the 8 years irretrievably lost after World War II.

Meanwhile, the opposition gyrates, orates, and berates in their frenzy to find a remedy to heal up their sores caused by the continuing combat between the northern and southern wings. I concede they have their hands full trying to corral implacably opposed Democrats under one political roof. Their political lasso, evidently, is a headlong attack in the area of their most dismal performance. So today, back in Washington, we see President Eisenhower, the Secretary of Defense and his various assistants being daily charged with delaying essential defense programs and with letting the Communists build up a terrible threat to our Nation's safety while we are supposed to be doing relatively nothing.

I suggest this: The next time you hear this kind of political buncombe, just ask why the opposition ignored long-range missiles from World War II until the country passed the reins of government to the Republicans in 1953.

II

Now, let's talk a minute about economic strength.

I want to quote a passage from the President's January 9 state of the Union message. He said this:

"We have just concluded another prosperous year. Our output was once more the greatest in the Nation's history. In the latter part of the year, some decline in employment and output occurred, following the exceptionally rapid expansion of recent years.

In a free economy, reflecting as it does the independent judgments of millions of people, growth typically moves forward unevenly. But the basic forces of growth remain unimpaired. There are solid grounds for confidence that economic growth will be resumed without an extended interruption."

Last week, in his budget message to the Congress, the President made another statement.

He said he is determined to adhere to economy and efficiency in the operations of our Government—that the reinvigoration of our Federal-State system is still a prime element in his program for America—and also that he intends to continue reducing the national debt during prosperous periods.

The President then called upon the Congress to curtail, revise, or eliminate certain programs. Some programs he had previously recommended he asked be deferred. These actions, he said, would hold down nonmilitary spending next fiscal year and save several billion dollars in a few years.

These matters I mention tonight for this reason: If we are to remain economically strong despite heavily increased military expenditures, all of us must insist upon stringent economy in the nonmilitary side of Government. We must be willing to forego or hold up at least temporarily various projects that we do not urgently need right now.

III

All right, you say, that makes sense. Let's do it.

But getting that done is going to be a monumental chore, I assure you.

Already Congressional leaders of the opposition have announced that they see no need for deferring politically rewarding programs simply to keep the budget balanced. This chant their troops have taken up, and believe me, it will get deafening before this session of Congress goes much longer. It's about as easy to make water run uphill as it is to get a Democrat in an election year to bite this kind of a bullet.

Ladies and gentlemen, there are many public figures in this administration and, indeed, among the people of Minnesota, who can detect nothing but harm in deficit financing, a steadily growing Federal debt, further cheapening of the currency, and an ever-growing Federal intrusion into private and local affairs.

These issues are among the real battle lines this election year. For, as the American voter comes to understand the record of the opposition's delinquencies in national defense, especially in missiles and rockets, you can be sure that our opponents will try once more to sell their old gloom and doom psychology and will paint with a broad black brush the most dismal picture they think they can get away with.

Look out for this kind of an argument, which, if you listen closely, you can already hear. "An unbalanced budget hurts no one. A little inflation helps the economy. Anyway, America's domestic needs are so critical that the Federal Government must do more and more, not less and less as the President has proposed."

This attitude is not new. We have faced it for 5 years. Happily, for the first 2 years we had a Republican Congress to work with toward common executive-legislative goals. But, for the following 3 years, we have had Democrat Congresses to work with. Many of the goals of the Congress and the Executive have been far from mutual in this period. This coming year they look like they will be more divergent than ever. Let me give a few examples:

Public power: The opposition will fight for more Federal development of power; our party generally will fight to encourage private initiative and private enterprise to the greatest extent consistent with the public good.

Public housing: The opposition will fight for far more public housing as it has every year; our party will try to carry forward gains such as those made these past 5 years through private effort—a period in which more homes have been built and bought than ever before in our history.

Agriculture: The opposition will generally try to reestablish Federal regimentation and control programs that have never worked in all their tragic history and that were saved from total collapse in past years only by three national disasters—the terrible drought of the late 1930's, World War II, and the Korean war. Our party will continue its efforts to build farm programs that don't have to depend upon disaster to make them work. We will keep on trying to free farm people from Federal domination, to encourage a return to growing crops for markets instead of for Government storage, and to build for the time when efficiency and competition will again govern the farm economy. As part of this maneuver, the opposition will continue to dodge sane answers to farm problems. Instead, they will keep on questioning the reputation and disparaging the motives of every farm spokesman who dares to oppose their effort to tighten the Federal grip on farm people.

Labor: The opposition will, if they can, block efforts to protect union workers from excesses of their own leaders, and will prevent, if they can, any accomplishment in protecting workers' pension funds.

As this session of Congress proceeds, divisions such as these will take place every day all up and down the line. You will see these differences in veterans' affairs, in natural resources measures, in Federal aid to State and local governments, in airport and hospital construction, in Federal credit programs, in the pay of Government employees, and on and on.

Remember this passage in the President's state of the Union message:

"After all, it is no good demanding sacrifice in general terms one day, and the next day, for local reasons, opposing the elimination of some unneeded Federal facility."

"It is pointless to condemn Federal spending in general, and the next moment condemn just as strongly an effort to reduce the particular Federal grant that touches one's own interest."

IV

Which takes me now to the major point I want to stress tonight—the supreme importance of doing all we can to elect a Republican Congress this year.

Here in Minnesota you have done well in providing for the country and our Republican cause Members of the Congress who stand for sound principles of government. These men I count as warm personal friends, I know them well, for I served with them in the Congress, and I respect them highly: JOE O'HARA, CARL ANDERSON, and the pride of Minneapolis, WALTER JUDD. Each one of them I salute.

I had expected to see another close friend here tonight—Auggie Andresen. Well I know of the esteem in which he was held by all who knew him. His sudden passing was a shock to all of us. When Auggie Andresen left this life, America lost a splendid gentleman, a fine public servant, and a warmly beloved political leader. And every one of us lost a respected friend.

Now I want to speak of another Member of the Congress whose friendship I have prized for many years, United States Senator, ED THYE.

Ed has many great qualities: he is independent—he is thoughtful—he is frank and outspoken—he is nobody's captive or spokesman—he belongs to every citizen of Minnesota. He stands for the principles of our party in a traditional sense. He accepts the responsibilities of our party in facing up squarely to problems we face today. In

Washington I have come to know the respect and affection in which he is held all over your great State. I know you will see that his able service is continued for years to come.

I want also to pay my respects to your mayor—Kenneth Peterson. I wish every Republican candidate could duplicate the accomplishment which he made last year. My congratulations to him for his personal victory and the example he has set for all of us.

My friends, the discussion we have had adds up about like this: For a solid, strong defense program; for steadiness in foreign affairs; for sound handling of the Nation's fiscal problems; for policies at home and abroad that will preserve for our children the freedom and opportunities that we have known; for a Government efficiently driving toward specific goals instead of frittering away its efforts in endless partisan strife—for these goals our country needs a Republican Congress from 1958 to 1960. Nor do I need point out to this audience the importance of having a Republican Congress as we prepare for the tough political grapple sure to come in 1960.

Every one of you here, by your participation in this occasion, signifies to me that you are determined to do your part.

What we need now to do is to keep on—to keep at it—and enlist in our cause every person we can to help make this year 1958 the finest Republican year we have had since 1952.

v

And now I want to revert briefly to the other element of our strength I mentioned earlier. I refer to our moral and spiritual strength from which our other goals and values are all derived.

Our President has spoken frankly about the dangers facing our Nation. We are confronted by a brutal tyranny. It is capable of deeds more inhuman than any evil force has ever contemplated in history. Unprincipled, atheistic, regimented, its progress is impelled by human slavery and brute force. Utterly contemptuous of human life and dignity, its pawns are wantonly thrown into its struggle to make itself master of the universe. This Communist system, subverting modern science and technology to its own sinister purposes, increasingly threatens our national survival. Day by day, night by night, for longer than we can foresee, we must stand alert and poised, ever ready to counter this deadly menace—as ready, as courageous, as resolute as our minutemen and frontiersmen were in years long since passed into history.

In this fateful struggle our physical resources, we know, are equal to the threat. We know our skills, ingenuity, and intellectual vigor are also equal to the threat. I say, however, with the utmost earnestness, that all that we have and all that we stand for will surely be swept away unless the moral and spiritual fiber of America is also kept equal to the stern trials that our generation and those to follow will have to face.

These qualities of the spirit—iron determination, raw courage, perseverance in the face of obstacles, initiative, the eagerness to accomplish and to stand on one's own feet, free and unafraid—these qualities, I say, are the very essence of our real strength and worth as a Nation. These attributes of our national character surging through our free competitive society are as indispensable to victory as our military might. In this long struggle before us, we must be ever watchful, as we mind our material defenses, lest we, through paternalistic governmental practices, sap this strength and resolution on which all else depends.

Finally, my friends, in so speaking of the foundations of our liberties, I remind you of the eloquent words of a very wise Frenchman who visited our land long ago. Patiently he sought the greatness and genius of

our Nation and our people. He searched our fields and forests, our mines and commerce, our Congress and our Constitution, and he found not the source of America's greatness.

But after completion of his search he said: "Not until I went into the churches of America and heard her pulpits flame with righteousness did I understand the secret of her genius and power."

"America is great because America is good—and if America ever ceases to be good—America will cease to be great."

That vision must always be vivid—always shining before our eyes. Then we shall always keep lofty the ideals and high purposes to which this Nation was long ago dedicated—by the Minnesota frontiersman, by the minuteman at Concord, and by all those forebears whom we think back to at centennials.

Auto Crash Program

EXTENSION OF REMARKS

OF

HON. JOHN V. BEAMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. BEAMER. Mr. Speaker, it has been my privilege to serve on the Traffic Safety Subcommittee of the Interstate and Foreign Commerce Committee of which our good friend and colleague, KENNETH ROBERTS, of Alabama, is chairman.

The appalling loss of life and property on the Nation's highways is a subject that should be brought to the attention of every Member of the House and to every citizen of the United States. All of us realize that it is impossible to legislate virtue and, also, that it is impossible to pass laws that will eliminate this terrific and sad loss of life and property. However, it is hoped that the attention of the public can be focused on this important problem and, also, on the work that is being done by various groups to assist in working toward a solution to this problem.

In November, it was my privilege to represent our subcommittee at Holloman Air Force Base in New Mexico where there was a demonstration of the automobile crash research program, so ably conducted under the direction of Col. John P. Stapp, Chief, Aero Medical Field Laboratory. Colonel Stapp and other volunteers have been human guinea pigs in this experimental crash-program work. All of their studies are made on a very scientific basis and their findings have been invaluable to those who are interested in reducing traffic accidents and traffic injuries.

Consequently, it was a shock to many of us when we learned that the Air Force was considering the elimination of funds to support further automotive crash research. We felt that, especially, the aeromedical problems of flight at very great altitudes, as well as the same experiments conducted on ground level as applied to automobiles and other rapidly moving vehicles, was of the greatest importance in our studies.

Later, we received information from the Holloman Air Force Base advising us that the Air Force had decided to

continue this very worthwhile work. I was quite pleased to know that this effort was not being suspended.

Under unanimous consent, I wish to enclose a letter which was written by Colonel Stapp, the fastest man on earth, to Chairman ROBERTS expressing his appreciation for the interest displayed by our committee. I feel that all of us should be expressing thanks to the Air Force for their very wise decision to continue this project which may mean the saving of millions of dollars and, more important, the saving of millions of lives:

AERO MEDICAL FIELD LABORATORY,
AF MISSILE DEVELOPMENT CENTER,
HOLLOMAN AIR FORCE BASE, N. MEX.,
January 8, 1958.

The Honorable KENNETH A. ROBERTS,
Chairman, Special Subcommittee on
Traffic Safety of the Committee on
Interstate and Foreign Commerce,
House of Representatives, Wash-
ington, D. C.

DEAR CONGRESSMAN ROBERTS: This is to let you know that your statement in your letter of November 27, "As you know, I feel that your basic research is an invaluable contribution to the future safety design of the automobile and I would be regretful if the Air Force did not continue its support of this program," is largely responsible for a reconsideration of the status of the car crash program by the Human Factors Office of Air Research and Development Command and the United States Air Force, with the result that we are initiating a full-scale project in this area and should be able to carry on adequately.

I want to express my sincere thanks for the help given by your Congressman BEAMER and your committee at a time when backing was sorely needed to keep this program alive. I assure you that it will be carried on in a manner that will justify your confidence and that the results will continue to be manifested in improved safety design and safety devices in vehicles for both the Armed Forces and civilians.

If I can be of any further service to you or your committee, please consider me at your disposal.

Yours very sincerely,
JOHN P. STAPP,
Colonel, USAF (MC),
Chief, Aero Medical Field Laboratory.

Opposition to Proposal for Combining the Veterans' Administration With the Social Security Administration

EXTENSION OF REMARKS

OF

HON. JOHN E. HENDERSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. HENDERSON. Mr. Speaker, recently I received a petition containing 222 signatures. This petition read as follows:

HON. JOHN E. HENDERSON,
Member of Congress,
Washington, D. C.

DEAR SIR: The undersigned petitioners respectfully direct your attention to the movement for combining the Veterans' Administration with the Social Security Administration and wish to go on record opposing it.

Please use your influence to defeat such legislation which would be distinctly unfair to veterans.

I was impressed by the petition for several reasons. In the first place, it contains the names of a number of responsible and respected citizens of Morgan County, Ohio, which is one of the counties of my 15th Congressional District. The names of the mayors of several of the villages were on the petition as well as the sheriff of the county, leading merchants, farmers, laborers, and businessmen.

I do not regard this as the petition of a pressure group or an organization with narrowly selfish interests. Rather, I regard it as a spontaneous reaction to the current discussions in many quarters which have as their goal the dismantling of existing veterans' programs. Although there is no legislation of this kind pending before the House or any of its committees, I view the prospect of such proposals with considerable concern. Legislation of this kind would be a breach of faith to hundreds of thousands of veterans—particularly those whose ages are such today that the assistance provided for in our current program is genuinely needed.

The 40th Anniversary of Ukrainian Independence

EXTENSION OF REMARKS OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. ZABLOCKI. Mr. Speaker, today marks the 40th anniversary of the proclamation of independence by the Ukrainian National Republic. It is fitting that we join with Americans of Ukrainian ancestry and with freedom-loving peoples everywhere in commemorating this important date and in expressing our deepest sympathy for the present plight of the Ukrainian people.

The Ukrainian National Republic became one of the first victims of Communist expansion and aggression when its sovereignty and independence were brutally crushed in 1920. In spite of the long years of enslavement, however, the people of Ukraine have preserved their strong national feelings, and their resistance to communism and of the bloody persecution which they have suffered at the hands of Communist Russia speak for themselves.

In our age of tremendous technological and scientific innovations, our ultimate weapon in the struggle with communism is man. We must not become blind to this basic truth. The human desire for freedom is more potent and more explosive than any scientific weapon. It will survive any hardship, and it will outlast the effect of any weapon of destruction.

We must remember this as we pay tribute to the brave people of Ukraine who have amply demonstrated their un-

daunted determination to regain independent national status. We must encourage the spirit of freedom which flames in their hearts by pledging ourselves anew to the task of building a better world in which all nations may live in peace, freedom, and justice.

This is our goal. May the knowledge of this fact encourage and hearten the people of Ukraine and the peoples of the other Communist-dominated nations.

Solving the Farm Problem

EXTENSION OF REMARKS OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. BURDICK. Mr. Speaker, I heard and have reread the President's special message on the farm situation. He outlines nine ways to tackle the present situation in order that farmers can live on their lands. This message reminds me somewhat of Aesop's fable about the cats. One cat said that he knew only one way to save himself from dogs and that was to climb a tree quickly when in danger from them. The other cat said he had nine ways of getting to safety. At that juncture some dogs came along, and the first cat shinned up the nearest tree and was safe. The cat with the nine ways of avoiding dogs took so long to make up his mind as to which one of the nine plans he would select that he was an easy prey for them.

I will not outline all the nine ways by which the farm people are to be saved, but will refer to a few in particular, and in general suggest that none of the nine is to be depended upon to save the family-type farm of the United States. However, plan 8 says:

We should shift the emphasis of the soil bank away from short-term acreage reserve, aiming at reducing surplus of particular crops to long-term conservation reserve aimed at overall production adjustment. This change will aid farmers, especially the low-income farmer, who will, if he desires, be better able to retire his entire farm from production.

That is about the only way a farmer under this projected plan can come out with any money—get paid for sitting in the shade and have the Government hand him over cash for doing nothing. I wonder if the President has any idea how many farmers will take this proposition? I wonder if he knows how much that will cost?

Plan 2 seems to still rely on the soil bank, for it says:

Allotments for certain crops are likely to be reduced even further, despite growing evidence that acreage restrictions have not brought about needed adjustments.

A thing that did not work is to be worked further. Will that solve the farm situation?

Under plan 1, the President admits that there are some farmers who cannot make a go of agriculture under the present plan, or the plan now suggested

by the President. For those farmers who wish to supplement their incomes—and there are millions who do—the Government, State, and municipal governments are going to provide vocational training schools so the farmers thus affected can learn some trade other than farming. These farmers will be furnished credit, and the result will be that the fatal day of the entire collapse of the farming venture will be strung out over a few years and involve the farmer in a debt which he cannot repay.

I never thought we would come to a time when farmers must quit and do something else.

We have tinkered with this farm problem ever since the McNary-Haugen bill was passed by Congress and vetoed by two Presidents, and nothing has been settled. The present plan has in it the proposition that says to the farmer, "You cannot make a living on a farm, so go to school and learn some trade—any trade you learn will be better than trying to farm where the Government will not let you plant crops."

The suggested program of the President is just as clear as mud, and when we fix up the nine ways he has in mind to "help" the farmers, all this fuss about the farm problem will be ended and farmers will be prosperous, bread will be back to 6 cents per loaf, and beefsteak 20 cents per pound.

I am afraid another Benson dream has been transmitted to the President.

Verrazano-Hudson-Champlain Celebration Commission

EXTENSION OF REMARKS OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. ANFUSO. Mr. Speaker, I am introducing a resolution to establish a Verrazano-Hudson-Champlain Celebration Commission. The purpose of this Commission shall be to prepare suitable plans for the celebration in 1959 of the 435th anniversary of the discovery of New York harbor by Giovanni da Verrazano, the 350th anniversary of the explorations of the Hudson River by Henry Hudson and the discovery of Lake Champlain by Samuel de Champlain.

My bill provides that the Commission be composed of 11 members as follows: 2 members of the Senate, 2 from the House of Representatives, 6 appointed by the President upon recommendation of the Governor of New York, and the Director of the National Park Service or his representative. None of them shall receive a salary for this service. An initial sum of \$100,000 is to be appropriated to the Commission to prepare plans for the celebration and to carry out its functions.

Gov. Averell Harriman, of New York, has already designated a civic committee to promote this celebration, with State commissioner of commerce, Ed-

ward T. Dickinson, as coordinator. The plans of this committee, however, call for a celebration only of the 350th anniversary of the voyages of Hudson and Champlain, while omitting the equally significant discovery of Verrazano 85 years earlier. Many citizens of New York feel that equal homage should be paid to the gallant Italian discoverer of New York harbor and the mouth of the Hudson River.

I want to state here emphatically that I wholeheartedly support the accomplishments of Henry Hudson and Samuel de Champlain, those intrepid explorers who made history in 1609. Hudson, a Dutchman, explored one of the country's most important rivers which played a significant role in the development of the States of New York and New Jersey. Champlain, a Frenchman, by his discovery of the lake bearing his name, similarly contributed toward the development of the area of northern New York and Vermont.

By adding the name of Verrazano to the proposed celebration, we shall in no way detract from the achievements of Hudson and Champlain. On the contrary, we shall give it broader scope and add to it another illustrious name associated with our early history. By including the name of the Italian explorer Verrazano alongside the names of the Dutchman Hudson and the Frenchman Champlain there would be a continuous chain of history from the discovery of New York Harbor up the Hudson River to Champlain Valley.

The Florentine navigator Verrazano discovered the harbor of New York in the year 1524. Thus, we have the beginning of one of the most dramatic events in American history when Verrazano opened the great portals of New York Harbor through which millions of people were subsequently destined to enter this land of freedom in their quest for a better life and for greater opportunities.

Under the sponsorship of King Francis I of France, Verrazano was commissioned as pilot of the 100-ton 3-masted caravel named *La Dauphine* in honor of the King's eldest son. The vessel set sail in search of the blessed land of Cathay, but it reached the coast of South Carolina and then proceeded northward until by mid-April of 1524 it sailed into New York Bay. In a report to the King, Verrazano wrote that "we found a very agreeable site located within two small prominent hills, between which flowed to the sea a very great river, which was deep within the mouth." This is believed to have been the area between Brooklyn and Staten Island, in the area where the Hudson River enters Upper New York Bay and empties into the Atlantic Ocean.

Such is the Verrazano story in brief. It is interesting to note that in 1909, at the time of the Hudson-Fulton celebration in New York, a statue to Verrazano was unveiled in Battery Park at the tip of Manhattan, where it still stands to this day. It might also be noted that if it had not been for Verrazano's maps Henry Hudson's later exploration of the Hudson River might have been delayed for a considerable time. Thus, the gate-

way opened by Verrazano 435 years ago assumed not only commercial and other importance, but it represents the greatness that is America and the symbol of our way of life.

I urge the Congress to recognize the historical achievement of Verrazano by adding his name to the proposed celebration in 1959 in New York. I also call upon Governor Harriman, of New York, to support my resolution and to request his committee to broaden the celebration by including Verrazano's name.

America's Future in Science

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. HOLLAND. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a speech which I made concerning America's future in science before the Roving Roundtable, Unitarian Church, Moorewood and Ellsworth Avenue, Pittsburgh, Pa., on January 19, 1958.

The speech follows:

AMERICA'S FUTURE IN SCIENCE

(Address by Congressman ELMER J. HOLLAND)

Remember those good old days—back in early October 1957?

Those days when complacency reigned—and the "father knows best" attitude was being broadcast to all corners of the Nation from Washington?

And then—the "beeps" of sputnik I automatically rang the alarm that awakened all America with a jolt—one of those rude, startling jolts that cause a slight dizziness when you sit up quickly.

We rubbed our eyes and looked about—and saw the beginning of a new era as the doors of tomorrow and the future opened.

We knew it had to be the beginning of a new era as the only other alternative was the destruction of civilization as we had known it * * * and that we refuse to accept.

Overnight jet planes became a thing of the past—and satellites and space stations did not sound like science fiction any longer * * *.

Outer space had been entered and soon it would be conquered.

To some of us, this was not too surprising for we had been trying to inform the public and prepare them for this. However, when we gave the facts that showed the advances which had been made—and were being made—by the Soviet Union * * * we were accused of being pro-Communist. When we tried to show where our Nation was lagging * * * we were said to be spreading Communist propaganda.

Thanks to the Sputniks I and II America, and her people, are now awake and aroused.

Thanks to the sputniks we are now making a long overdue reappraisal of our educational system.

Thanks to the sputniks—we are reexamining our foreign policy.

Thanks to the sputniks—we have finally realized that what this country needs are more eggheads, and less fatheads.

That science is going to control our future is no longer news, and that there is a shortage of engineers and scientists in America today cannot be denied.

There are three compelling reasons for increasing our supply of scientists and engineers.

First, and most important, to meet the demands of the domestic economy.

Second, to maintain our military effectiveness.

Third, to sustain our policy of foreign assistance for, although we act as humanitarians and we want to help people of other lands, there is also a selfish motive—self-protection.

There is still a more fundamental reason—for whatever else it may have done, the release of nuclear energy announced the arrival of what has already been named "the scientific revolution."

In the days past we met the industrial revolution—and we conquered it. That period was primarily an adaptive age.

From now on, in the scientific revolution we will have a truly creative age.

From now on—scientists and engineers will replace the technician, the craftsman and the production worker. In fact it has already started.

You no doubt saw in the papers, last week, that J. & L. opened their new plant in Alliquippa. There, a few engineers tape the machine—the steel slabs are put in at the beginning of the operation with a card of instructions on the slab—the engineer then tapes the machine according to instructions—and starts the mechanism and it goes on and on and on until it comes out at the desired thickness, weight, shape and ready for shipping.

The tomorrows we have been reading about for the last few years have now become today.

It would be foolish to deny that the United States is in competition with the Soviet Union in the whole technical manpower field.

Just last week, here in Pittsburgh, William Hearst, Jr., said that the Soviet Union has one grim aim—and that is to surpass us in every way. I must admit that I have seldom been in accord with the Hearst views in general, but what he said in his talk before the Golden Triangle Association verified what I had said early in 1956 in Congress. (No doubt that is the reason I now agree with him.)

He said that Russia is, as we know, ahead of us in the scientific field—both in research and production.

They have had jet planes, carrying 70 or more passengers, in operation for over a year, and these planes are Russian, from the drawing-board beginning to the rolling down the runway for a takeoff. No German designer had anything to do with them, nor did any stolen secrets. And, these are being used for civilian use, not just military.

They have new two-tone automobiles coming off the production line—Russian from start to finish, no old dies from the United States or Britain as they used to have.

They have new housing developments in Moscow—already housing 400,000—that are the latest word—and their aim is to have sufficient housing for 2 million.

They are bending every effort to excel in medicine, the arts, music—indeed, in every line, even to developing athletes for the 1960 Olympics.

It is clear that Russia has primarily embarked on a program of scientific and technological expansion, and we know that her output of trained men and women in engineering and science has surpassed that of the United States.

These accomplishments are a cause for anxiety—for, not only does a large and competent corps of technical manpower increase Russia's military potential—it gives her also an economic tool which is becoming increasingly important in diplomacy.

Assistance to the undeveloped countries, helping them to share the benefits of modern technology, raising their living standards, these are fundamental parts of the American foreign policy, the old point 4 program. They also are a part of the Soviet's foreign policy. And, with the aid of their technical personnel, their teachers, their scientists, engineers, and technicians, they are actively assisting some of these neutral countries.

The psychological effect on the peoples of those countries is great, and it will be the most important factor in our own future.

Let me go back to early in May 1956 when I told my colleagues: "The Western World is in a new grave kind of danger. The West has been threatened by military and political domination from the East, but never before has it faced the loss of its leadership in science and technology."

"Today, that leadership is in greatest jeopardy. In fact, it will certainly be lost unless we find new ways to meet the new and dangerous challenge coming from the Soviet Union."

"Today's struggle is no mere military struggle, limited to the fields of Europe or Asia Minor. This is a military, political, economical, and technological race between two giants of the entire world—the United States and the Soviet Union."

"The key to that race is supremacy in scientists and technological manpower."

I made this statement when I introduced the Holland bill that would provide scholarships for future engineers, scientists, and physicists; assume adequate salaries for teachers of mathematics, chemistry, physics, and related subjects in our secondary schools and colleges; and grant subsidies for the engineering schools, enabling them to enlarge their graduate school and research departments and further the education of those most talented so that they might become Doctors of Science.

The deans of the 150 accredited engineering schools in America, as well as the National Science Foundation, were consulted and they cooperated in the preparation of the Holland bill.

The Holland bill remained in committee during that session of Congress—and I reintroduced it in January 1957. There were preliminary hearings held in March, last year, and I appeared and stated:

"Upon authentic information I have received from newsmen, who have recently returned from Russia, the Soviet Union has the most dangerous weapon in the world—the atheistic scientific trained mind—and she has it in plentiful supply."

"This information should cause every American to shake off his complacent attitude and face the stark inevitable truth—that the Soviet Union has surpassed this country in the development of scientific manpower."

"The newsmen further reported that 'schools and colleges—not jet planes—not H-bombs—are the greatest Russian latent threat to America and the West.'"

"Records show that the Soviets graduated two and one-half times as many engineers and scientists as we did in 1956, and they have more than double that number of science students this year, 1957, than we do."

I went on, at that hearing, and gave the committee the information on the Russian schools, which you are all familiar with by now. I pointed out at that time, March 1957, that Russian students, graduating from the 10th grade in 1955 had completed 5 years of physics, 4 years of chemistry, 6 years of foreign languages, and 5 years of math above the arithmetic level.

In November, 8 months later—and 6 weeks after sputnik—the President, in his Oklahoma City speech, suggested that we have a nationwide testing of high school stu-

dents; a program to stimulate good quality teaching of math and science; provide for more laboratory facilities, etc. And he also gave the first administration recognition of the educational program of the Soviet schools.

I showed, at those hearings in March, that in Russia about 30 percent of the top grade high school graduates were given scholarships and were paid for going to college.

Education along these lines, as we all know, make engineers, doctors, and men and women of science. It makes nuclear scientists—and it makes teachers of these subjects for high schools and colleges. This I pointed out in March 1957.

I do not want to be critical or political, but the facts must be stated. The position we now find our Nation in was caused by men who refused to accept their responsibility of leadership.

Some have blamed the public for their lack of interest in the sciences and their ridicule of the eggheads. The people of America, however, are not wholly to blame—for they elect men and women to public office to act as leaders—and they expect them to lead. Instead, they were lulled into the feeling of false security.

Right after sputnik I the President said: "So far as the satellite itself is concerned, that does not raise my apprehensions, not one iota."

Secretary of Defense Wilson, now retired, stated: "Sputnik was a neat, scientific trick."

And, Secretary Dulles, on a visit to the United States, said: "The Soviet satellite launching was of probably doubtful military value and would not change this country's defensive position." (We know how wrong he was.)

At that time, apparently, these men did not realize—nor want to recognize—that time was of the essence. They seemed to be of the opinion that life can be beautiful and they didn't want to be a disturbing influence.

We now know that the National Security Council had advance information on the launching of the first sputnik, but they felt, after a lengthy discussion, that it was not necessary to inform the public in advance.

What did they think the psychological effect on the people of the world would be—or did they care?

Sputnik II, or "muttnik" as we wisecracked about it, went into outer space.

Our answer? We sent General LeMay dashing down to Rio and back at the fantastic speed of 600 or more miles per hour. Not a very impressive answer to the sputniks traveling 18,000 miles per hour.

And I hate to point this out but I feel I should, Russia's display of technological knowledge and scientific achievement was in the form of a geophysical experiment, and our display was strictly military, the Strategic Air Command in action.

We harnessed the atom for power, for what, the *Nautilus*, a submarine, a weapon of war.

Their first atomic-powered vessel was a peaceful icebreaker.

Soviet propaganda continually paints the United States as warmongers while they are always for peaceful coexistence. Our display of military might to the neutral world, unfortunately, gives them something to talk about.

Washington at last woke up. The executive branch, I mean.

There was a hustle and a bustle. Dr. Killian, of MIT, came in to advise the President; Mr. Holaday was appointed to advise Secretary of Defense McElroy, the National Science Foundation was asked to make a special report; the President's Committee on Scientists and Engineers was requested to turn in their report—there was plenty of action, lots of lights, always the cameras, and, as usual, the normal amount of confusion.

Reports from the various committees and departments came in and were released for public consumption.

They said the solution was as follows:

"Federal scholarships for those who had the ability, the aptitude, and the ambition to become scientists but lacked the finances."

"Incentive plans to encourage students to go into graduate work and provide teachers, not only for the grade schools and high schools but to build our universities' engineering faculties with the best teachers."

"Provide adequate funds for the universities to carry on research work to the fullest extent."

"To pay salaries to our professors, doctors, and teachers in keeping with what they would earn in private employment, by having the Federal Government subsidize the difference in pay."

"These plans would turn out the best in scientists, the best in teachers, the best in engineers."

I could not help but feel a little pride when I read these recommendations, for they certainly were all contained in the Holland bill.

I wired the President and asked that he and Dr. Killian review the legislation I introduced and which was already in the legislative mill awaiting action. That was in November.

The President has since presented his solution to the problem—with his \$1,800,000,000 program for education. It is on a Federal-State basis, and it would take approximately 2 to 3 years to go into effect. State legislatures must act upon it before it could be a working program. And, incidentally, where are the States to get the additional money?

We have wasted too much time already, and 2 or 3 more years would be too late.

Only last Wednesday, Dr. A. R. Hibbs, chief of the research section of the jet propulsion laboratory at California Institute of Technology, said: "I'm frightened. How much more time will the Russians give us?"

"The Russians have missile rocket motors more than twice as powerful as anything we have. And even now—more than 4 months after sputnik I—we still have no realistic program for the development of such motors."

"The United States 'Government planners' had decided on 5 missile-development programs in spite of the fact that our real missile experts would be sorely taxed to successfully carry out 1 or 2 of them."

"Only men who are completely unaware of the exacting requirements of missile development, only men who are technically incompetent in the very fields most affected by their policy discussion could have reached such absurd conclusions."

This is rather an alarming picture, I know. It isn't a very pretty one to paint for you—but I believe an informed America is a strong America.

This session of Congress is indeed a most important one—in fact, Senator Johnston advised his colleagues that they should work and act as though it might be the last one—and I am sure that you will find that the attitude of most of the Congressmen and Senators to be deeply concerned over the seriousness of the situation.

The President presented his budget, his suggestions, and his views.

As Walter Lippmann said last Friday:

"The substance of his proposals will almost certainly produce a sense of disappointment and frustration."

"The country was expecting—and was ready—for a large expanding national effort. What the President has proposed is—a narrow concentration on specialized weapons and a contraction in almost every other field of national activity."

"The program says—in effect—if only we can catch up with the Russians in missiles,

all will be well and we can retreat almost everywhere else along the line.

"The President will find that the country cannot be rallied successfully to a program of this character. It wanted a program of national revival * * * it was offered a program for contraction.

"The country would support a big, bold program—like the Marshall plan, for example—but it was offered a small and timid program, one which regards the United States as being too poor to build schoolhouses or to develop new water resources in the arid lands of the West.

"Once it was certain that there would be no opposition to getting more money for missiles—the crucial point was what this Nation was going to do about education and research * * * for that is where we are most deeply challenged.

"In this proposed plan, the educational proposals are a pitifully inadequate response, and the abandonment of the school construction bill an inexcusable retreat from responsibility.

"There is every prospect, therefore, that in this Congress leadership will come not from the White House, but from the senior Democratic leaders who have always supported national defense and watched out for the Nation's welfare."

Commemorative Stamp Honoring Early Polish Settlers at Jamestown in 1608

EXTENSION OF REMARKS OF

HON. THOMAS S. GORDON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. GORDON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of a letter which I wrote to the Post Office Department on January 9, suggesting that a special stamp be issued to commemorate the significant part played by Polish artisans in the founding of Jamestown and their work in establishing the first factory in the United States in 1608.

I am also including the reply which I have received from the special assistant to the Postmaster General, explaining the Department's position in taking adverse action on this request.

I am sorry that the Department has found it impossible to issue such a special stamp, and I want to take this additional way to help call attention to the significant contribution made by the Polish artisans in the founding of our country.

The letters follow:

COMMITTEE ON FOREIGN AFFAIRS,
January 9, 1958.

Hon. ROY WALTER,
Special Assistant to the Postmaster General, Post Office Department, Washington, D. C.

DEAR MR. WALTER: I am enclosing herewith a copy of an article entitled "Jamestown's 350th Anniversary Recalls Aid to Colony by Polish," by Thomas E. Kissling which was inserted in the CONGRESSIONAL RECORD of July 31, 1957, by the Honorable JOHN LESINSKI.

This article points up in a most interesting fashion, the significant part played by Polish artisans in the founding of Jamestown and their work in establishing the first factory in the United States in 1608.

It occurs to me that a special stamp commemorating the part played by these early Polish settlers would not only be of interest historically and to philatelists, but would also make a very helpful and significant contribution today in the field of foreign relations.

I would like to suggest that such a stamp be issued at the earliest possible date and should appreciate hearing from you about this.

Sincerely yours,

THOMAS S. GORDON,
Chairman.

JANUARY 17, 1958.

Hon. THOMAS S. GORDON,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Thank you very much for your letter of January 9 and the suggestion that a commemorative stamp be issued honoring the early Polish settlers and the part they played in the founding of Jamestown.

The proposal that the establishment of industry in Jamestown in 1608 be recognized by a stamp has already been received and given the fullest consideration by the members of our Citizens Stamp Advisory Committee. We can appreciate the value such a stamp, possibly embracing the part played by the Polish artisans, would contribute to the field of foreign relations but, unfortunately, we cannot accede to such a request.

As you know, the Postmaster General's Citizens Stamp Advisory Committee has been charged with considering the many hundreds of requests for new stamps received annually. This committee has been faced with the necessity of selecting roughly a dozen outstanding subjects and has found it necessary to disapprove a stamp for Jamestown this year.

A set of three stamps was released in 1907 to mark the 300th anniversary of the founding of Jamestown and in 1957 a stamp was issued jointly noting the International Naval Review and the Jamestown Festival. We feel this is ample recognition for the many contributions Jamestown has made, particularly in view of the fact that many events and personages have not yet been recognized on our postage stamps.

I am sorry this reply must be unfavorable but I am certain you will understand the Department's position in this instance. Incidentally, you may find the enclosed booklet about our stamp program of interest.

Cordially yours,

L. ROHE WALTER,
Special Assistant to the Postmaster General.

Report on Mission to Europe Conducted by Hon. Emanuel Celler

EXTENSION OF REMARKS OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert a report on a mission to Europe conducted last November by the distinguished chairman of the Judiciary Committee, the Honorable EMANUEL CELLER, of New York. The report contains some noteworthy observations on the important subject of confiscation of pri-

vate property, expropriation, and the protection of private investments and property throughout the world.

The report follows:

While on a European mission in November 1957, Congressman EMANUEL CELLER, Democrat, of New York, chairman of the House Judiciary Committee, visited West Germany. The Congressman investigated installations producing atomic energy for peaceful purposes, and studied problems of refugees and expellees from Iron Curtain countries.

During an 11-day tour of West Germany, Mr. CELLER participated in a press conference which took place at the Amerika-Haus, Frankfurt, on November 21. The Congressman read two statements to the press—one on West German democracy, praising West Germany for its program of restitution for Jewish and Christian victims of Nazi persecution, and the other advocating an international treaty to safeguard foreign invested capital.

Members of the German press evinced great interest in Mr. CELLER's statements. There was general agreement that Mr. CELLER's call for support of a world Magna Carta for the protection of private foreign investments lent further stature to his leadership and statesmanship. During the discussion period the press was particularly pleased with Congressman CELLER's ability to explain the particulars of the proposed international convention code.

During the conference, Congressman CELLER referred to West Germany's "Cadillac prosperity" and said: "I've never seen a country develop as quickly and efficiently in so short a time as West Germany. It's the result of a great deal of hard work and industry, plus American economic aid which totaled \$5 billion." The Congressman lauded the country's economic and industrial recovery.

Mr. CELLER also praised West Germany's program of restitution payments to Jews and Christian victims of "Nazi sadism." "All this is called 'wiedergutmachung,'" he said. "This is perhaps the first time in history," declared the Congressman, "that any government voluntarily has undertaken to provide compensation for the crimes of a previous regime." He pointed out that this is the first time in the history of the persecution of Jews, which has gone on for centuries, that Jews have been compensated for wrongs done them.

With respect to his statement concerning an international treaty for the protection of private foreign investments, Congressman CELLER called attention to the recent and spreading actions involving seizures of private property interests. He cited seizure of the Anglo-Iranian Oil Co., expropriation of the United Fruit Co. by the Guatemalan Government, Egypt's seizure of the Suez Canal, confiscations of foreign properties by the Argentine Government, the failure of Indonesia to honor her contractual obligations with the Netherlands, and others.

In the face of this growing and serious problem, Mr. CELLER emphasized the necessity to protect and make secure private capital investments in foreign countries against confiscation, seizure and nationalization. He pointed to the only constructive and practical solution to this vexing problem in the proposal which was first presented to the recent International Industrial Development Conference in San Francisco—a world Magna Carta or international investment treaty which is the brain child of Mr. Hermann J. Abs, director of the Deutsche Bank and Credit Institute for Reconstruction, Frankfurt. Mr. Abs' Magna Carta was reported by the press as "the first concrete proposal" to come out of the San Francisco conference.

The Congressman strongly urged acceptance of the Magna Carta principle. Signator

nations, he explained, would be bound by the terms of the Magna Carta from arbitrarily seizing private investments, since credit and other sanctions would be invoked against the aggressor nation. The international convention code would be reinforced by an International Court of Arbitration which would establish effective and enforceable rules of law for the securing of private foreign investments. The Magna Carta, the Congressman asserted, would be a great step forward in the development of world trade and in the protection of those countries that are interested in peace.

Mr. CELLER told the press gathering it would be a great achievement if West Germany could blaze the trail in establishing such a world Magna Carta under the leadership of Mr. Abs.

One German paper, the Boersenzeitung, reported that during the press discussion, Mr. CELLER expressed the opinion that if such a world Magna Carta had been in existence during World War II the United States probably would not have confiscated German property. This paper also suggests that with the convening of the next Congress in January the administration will submit a new plan concerning the return of seized property.

Another German paper, the Frankfurter Allgemeine Zeitung, reporting on the Magna Carta, said Mr. CELLER admitted that at present there are bilateral agreements between nations which do safeguard foreign investments to a certain extent, but that such agreements are more often disregarded than observed. The International Court of Arbitration provided for in the Magna Carta, said the Allgemeine Zeitung, would have jurisdiction to decide violations in individual cases and impose sanctions. If a member is declared guilty, continues the Zeitung, other member nations are committed to refuse new private or public credits, and thereby they can set up a kind of financial blockade against the guilty country.

The Zeitung also points out that Congressman CELLER called it absurd for the United States on one hand to grant the Federal Republic of Germany \$5 billion in economic aid and on the other hand retain German property.

The Frankfurt Neue Presse also discussed the Abs' Magna Carta, suggested by Congressman CELLER as a solution to the present unsettled condition affecting private foreign investments.

During the press meeting, Congressman CELLER was asked whether the United States will in the future grant the Federal Republic of Germany economic aid. The Neue Presse states that the Congressman replied due to the favorable economic situation in Western Germany this would hardly be the case. On the other hand, says the Neue Presse, Mr. CELLER declared there are at work within the American economy strong efforts with the aim to place more private capital at the disposal of the German economy than has been done up to now. But independent thereof, the American Government of course will continue to grant military aid.

Appended hereto are copies of Congressman CELLER's two statements made at the Frankfurt press conference as follows: (1) West German Democracy, and (2) International Treaty to Safeguard Foreign Invested Capital.

NOTE.—Since November 21 when Congressman CELLER appeared before the press in Frankfurt, the free world has been shocked by the further flagrant violations and utter disregard for the sanctity of private property exhibited by the Indonesian Government in confiscating Dutch private interests. This latest case of arbitrary seizure of private foreign investments points up still further the desperate need for establishing an international convention code or treaty for protection of private property rights.

Attached is Congressman CELLER's release, dated December 9, 1957, which was issued to the press with the announcement of Indonesia's latest action involving Dutch investments.

STATEMENTS READ AT PRESS CONFERENCE HELD BY CONGRESSMAN EMANUEL CELLER, AMERIKA-HAUS, FRANKFURT, GERMANY, NOVEMBER 21, 1957—WEST GERMAN DEMOCRACY

Two important facts are clearly discernible concerning the emergence of the new Germany into a truly democratic state. First, the Bundestag in Bonn contains no Nazi or Communist representative. I am informed that one neo-Nazi party was outlawed by the Supreme Court of Germany on the ground that it was not a political party but a criminal conspiracy engineered from Soviet Russia. There is a fringe of Naziphile groups which barely stay within the law but they are small in numbers and fail to attract the 5 percent of the vote that is required for representation in the Bundestag.

To me, this means that the German people have been progressively repudiating nazism and have identified themselves with the democracies of the free world. On several occasions millions of the German people by secret ballot have chosen to ignore the reactionaries of the right and the reactionaries of the left, and voted into office genuinely democratic parties such as the Christian Democratic Union, the Social Democrats, and the Free Democrats. This advance toward democracy has been greatly encouraged by the leadership of Chancellor Adenauer and his cabinet.

A second startling and yet paramount fact is West Germany's program of restitution to surviving victims of nazism and the conclusion of a treaty at Luxembourg whereby West Germany agrees to pay over a period of years to the Israeli Government in the neighborhood of \$800 million. To the conference of Jewish Material Claims against Germany, West Germany agrees to pay \$107 million and to hundreds of thousands of Jewish and Christian victims of Nazi sadism there is to be paid an estimated total of almost \$10 billion. All this is called Wiedergutmachung. It is indeed a unique fact in human history. With the exception perhaps of the restoration of personal private property, the German Government was under no obligation under international law to make these payments. This is perhaps the first time in history that any government voluntarily has undertaken to provide compensation for the crimes of a previous regime. This is the first time in the history of persecution of Jews, which has gone on for centuries, that Jews have been compensated for wrongs done them. Heretofore, their only compensation was that fate decreed that they shall stand at the graves of their tormentors.

It is significant that the implementation of this program of Wiedergutmachung by heavy financial commitments was developed precisely on the eve of a national election. Thus, the Adenauer government started this program with the confidence that the German people themselves wanted it and were willing to be taxed heavily for it.

This recent gesture has not received the publicity it deserves. Wiedergutmachung is hardly known in the United States, and even in Germany it has probably slipped from memory more quickly than is warranted. Of course, the atrocities of Hitler and his henchmen cannot be wiped out in terms of money. These settlements do not atone for murders and tortures committed by the Nazis. Yet the settlements do have a great moral significance in acknowledging responsibility. It is significant also that when the Bundestag passed the bill unanimously its members stood for a minute in silent prayer to the memory of those slaughtered in the name of Germany.

INTERNATIONAL TREATY TO SAFEGUARD FOREIGN INVESTED CAPITAL

Last December I was in Mexico City and saw on one of its famous boulevards an imposing monument which was erected to commemorate Mexico's nationalization of its oil industry. Many of the oil refineries and producing companies had been owned and built up by the investment of capital, primarily of American nationals. This industry in toto had been appropriated and nationalized by the Mexican Government without such as "by your leave." There have been numerous similar instances of confiscation and nationalization without just compensation by other governments of industrial entities and concerns owned and financed through foreign invested capital. Among recent violations of such foreign private rights was the nationalization of properties of the Anglo-Iranian Oil Co. by Iran, expropriation of the properties of the United Fruit Co. by Guatemala, the seizure of the Suez Canal by Egypt, the forcible transfer of banks and insurance companies owned by British and French nationals to Egyptian ownership, the action of the newly formed Indonesian Government in refusal to recognize its contractual obligations to its former mother country the Netherlands, and the confiscation by the Argentine Government of various foreign enterprises.

Such artificial restraints and arbitrary action impede the proper flow of international private capital, exports and investments, and oft-times prevent and impede the flow of capital so essential for the development of underprivileged nations. Unless there is a free flow of private capital to such countries, the state must move in to supply the essential capital. In other words, the economic and financial vacuum must be filled. Either it is filled by private capital or by state-controlled political capital. If by the latter, then the private enterprise system goes aglimmering. We of the western democracies prize highly the system of private initiative and enterprise. We must, therefore, protect and make secure private capital investments in foreign lands. There must be protection against artificial and unnatural restraints and investment dangers like confiscations, seizures and nationalizations without just and honorable compensation.

This can be done by setting up an international society or community whereby its member nations subscribe to a sort of financial Magna Carta. This scheme was outlined at San Francisco by Dr. Hermann J. Abs, director of the Deutsche Bank of Frankfurt, and personal adviser to Germany's Economic Minister Ludwig Erhard. This international convention would be bolstered by an International Court of Arbitration which would establish effective and enforceable rules of law for the securing of private foreign investment. These rules would afford protection to the investors and to the recipient nations alike. While it is true that at the present time there may be bilateral treaties between some nations offering a modicum of such protection, I regret to state that these treaties are more often honored in the breach than in the observance.

This International Court of Arbitration would determine whether cases brought before it involve violation of the principles of this Magna Carta. If a nation is found guilty, sanctions could be imposed by the court in the following way: Member countries would be under obligation to refuse any new private or public loans or credits to be granted to the country in default. In other words, there would be an obligation by the other countries signatory to the Magna Carta to offer a sort of financial blockade to the offending country.

It strikes me that the establishment of such a compact or Magna Carta would be a great step forward in the development of

world trade and the safeguarding of all countries vitally interested in world trade and peace. It would indeed be a great achievement if West Germany could blaze a trail to the creation of such a Magna Carta under the leadership of Dr. Hermann Abs and Economics Minister Erhard.

STATEMENT ISSUED BY REPRESENTATIVE EMANUEL CELLER IN CHICAGO ON DECEMBER 9, PRIOR TO RETURNING TO NEW YORK—GOVERNMENT BY CONFISCATION

The law of the jungle apparently prevails in Indonesia. Dutch national banks and business operations have been expropriated without notice. Dutch factories have been seized. Dutchmen are deported. Wild men bent upon revenge seem to be masters. The excuse is that the Dutch will not cede to Indonesia that which racially, geographically, culturally, linguistically was never part of Indonesia, namely, West New Guinea. The Dutch are sound in their position of refusal but are suffering intolerable confiscation, extortion and blackmail. Our representative at the United Nations should caution Sukarno at Jakarta that we view with dismay these strongarm tactics.

It also points up the need for some international treaty or Magna Carta whereby signatory nations would pledge the sacredness and protection of foreign invested capital. Such a plan was offered by Hermann J. Abs of the Deutsche Bank and was well received at the recent economic conference at San Francisco.

Any nation signatory or nonsignatory to the Magna Carta which is guilty of seizure and confiscation of private invested capital without just cause and without fair and reasonable compensation would be treated by signatory nations as a pariah and would be deprived thereafter of all economic aid, grants or loans. In other words, the offending nation would be treated to a measure of financial blockade. Such threat of punishment would prevent the type of confiscation we are now witnessing in Indonesia. It might have prevented the seizure of the Suez Canal, the seizure and nationalization of American oil companies in Mexico and the recent seizure of Italian and Swiss properties in Argentina.

Such a Magna Carta would be a great boon to underdeveloped nations. It would encourage investment of private capital in countries that are prosperous in land but suffer penury and want.

Power Struggle on the Canadian Border

EXTENSION OF REMARKS

OF

HON. E. L. BARTLETT

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. BARTLETT. Mr. Speaker, last December there was published in Harper's magazine a thoughtful article by Senator RICHARD L. NEUBERGER, bearing the title which I have used for this insertion of remarks. That article ought to have the widest possible distribution. Its subject is the water resources of the Pacific Northwest, both United States and Canadian. In the long run, what men of the two nations do in the years immediately ahead in the utilization of this vital resource, will be as meaningful to the residents of Miami and Montreal as those of Seattle and Vancouver.

To Alaskans, this is not a proposition for academic consideration. To them, and especially to the people of southeastern Alaska, the so-called Panhandle, an agreement between the two good neighbors as to the use of water could well be the greatest economic boon which might be conferred. For years the Taiya project has been under active discussion and even consideration by a leading American industrial firm. It is a great dream, this, of taking water from the mighty Yukon River originating in Canada and diverting it so that the energy derived from this rushing stream might turn the wheels of industry at Skagway in Alaska. But the project, engineers say, is as practical as it is tremendous in scope. Senator NEUBERGER tells of this and of other significant matters in this article which I take pleasure in calling to the attention of my colleagues.

The article follows:

[From Harper's magazine of December 1957]

POWER STRUGGLE ON THE CANADIAN BORDER

(By RICHARD L. NEUBERGER, United States Senator, Oregon)

At least 20,000 years before men, in a gingerly compromise, located the 49th parallel as the line at which Oregon Territory ended and Great Britain's holdings began, the rivers were already there and geography's stubborn pattern had been set. This explains why some of the world's greatest and most inexhaustible sources of energy are today vexingly split by the border between the United States and Canada. For who, among the backwoodsmen and colonials who argued over these frontiers, could have been aware of the unseen giant of hydroelectricity?

The best-known of these sources are, of course, the St. Lawrence and Niagara Rivers, which share the same ruffled water. And after decades of argument, the long-heralded St. Lawrence Seaway is under construction at last. In addition to providing a navigation channel to the ocean, the seaway will generate 1,880,880 kilowatts of prime power, to be divided equally by the two nations. Another 1,900,000 kilowatts at Niagara Falls will soon be developed by the New York State Power Authority.

Yet the combined total of these two projects is a full 50 percent less than the tremendous 5,653,500 kilowatts of water power from the Yukon, Columbia, and St. John Rivers which is still locked up around stale-mated conference tables in Washington and Ottawa. By way of measurement, this unrealized power is just about twice the hydroelectric capacity of the Tennessee Valley Authority, and virtually triple the output of Grand Coulee, the largest single electricity producing plant in the world. On its development depend the prosperity and future expansion of three great regions in each of the countries involved—Alaska, the Pacific Northwest, and upper New England under our flag; and the Yukon Territory, British Columbia, and the Maritime Provinces in Canada.

Today these kilowatts are lost in the billowing spray of innumerable waterfalls and rapids. But if only the United States and its friendliest international neighbor could decide how they should be apportioned, they could become the fuel for scores of manufacturing plants. This would seem to be a fairly simple challenge. How can either nation lose when the booty to be divided amounts to a pair of TVA's? Nevertheless during recent months some observers have despaired of an agreement ever being reached. Worse yet, relations between the United States and Canada have deteriorated seriously.

Canada actually has under serious consideration a proposal to divert out of the Columbia River one-fourth of the flow of that greatest of all western waterways, before it crosses the border into the United States. This, of course, would leave stranded all the ambitious plans for the expansion of such existing American water power projects as Grand Coulee, Chief Joseph, Bonneville, McNary, and The Dalles.

The difference at Grand Coulee alone would be prodigious. If Canada, as it has proposed, siphons 15 million acre-feet of water out of its segment of the Columbia, Grand Coulee will maintain only with difficulty its peak capacity of 1,974,000 kilowatts. But if Canada and the United States could agree to mutual storage reservoirs on the upper river, Grand Coulee's production might soar to 2,838,000 kilowatts. The difference is equal to nearly our entire share of the St. Lawrence Seaway power plants.

THE EISENHOWER DILEMMA

Two circumstances are primarily responsible for this sad turn of events. One is the rising tide of nationalism in Canada. There were constant complaints about American influence over Canada's economy even before the Conservative victory at the polls last June. And after that victory the New York Times declared: "It is simply a matter of fact to state that the Conservatives are expected to take a somewhat tougher line vis-a-vis the United States than did the Liberals, particularly on trade matters." This certainly includes exports or imports of immense quantities of water power.

The second circumstance is still more alarming—and of more immediate concern to Americans. It is the evident determination of the Eisenhower administration to abandon the plans of the Corps of Army Engineers for comprehensive development of the Columbia Basin. An unexplained irony of our era is that while the President has urged Congress to spend over \$800 million for power and reclamation undertakings on the Colorado River, where 17 million acre-feet of water flow to the sea, he has balked at any and all new projects in the Columbia Basin, which has a majestic runoff of 180 million acre-feet. And because the Columbia River contains three-fourths of the potential international kilowatts, the attitude of our Government toward the Columbia is crucial. That attitude is hostile, to say the least, to any further Federal projects like Bonneville and Grand Coulee. President Eisenhower himself epitomized it in his personal insistence upon surrendering the mile-deep Hells Canyon site, located on a swift tributary of the Columbia, to wasteful underdevelopment by what the Times has described as private exploitation, at private cost and private profit.

In view of this position, the Canadian storage potential confronts the administration with a dilemma. If an agreement is signed with Canada, the projects in the United States which will benefit are Federal plants, built during the halcyon political era when a Republican Senate leader, Charles L. McNary, of Oregon, cooperated with a Democratic President, Franklin D. Roosevelt, to tap the churning reaches of the river system containing 42 percent of the country's undeveloped water power. But adding mighty new generating machines to these plants does not square with President Eisenhower's program for the Columbia Basin, where he quite candidly favors private utility companies. And in 1954, he appointed as American Chairman of the Canadian-American International Joint Commission, which is charged with these vital negotiations, the former governor of Idaho, Len Jordan, who spearheaded the long struggle to block the Federal dam at Hells Canyon, and whose cuss words to describe public power were the strongest ever used in a region never accustomed to mild political language.

To ex-Governor Jordan the President entrusted the future of the river system which feeds the largest hydroelectric network owned by the American public—the Bonneville Power Administration, which to date has sold \$462,805,892 worth of the energy generated at Government dams in the Northwest. And while he was responsible for the dealings with Canada that would determine the fate of Bonneville, Mr. Jordan traveled through the land making speeches which denounced as a scandalous Federal monopoly the very agency he was presumed to be representing at the international conference table. A typical such address prophesied that Government dams could soon lead to "federally owned sawmills, federally owned mines, federally owned fish canneries, and federally owned farms and livestock ranches." The first Federal dams across western rivers were erected, of course, under Theodore Roosevelt.

If Mr. Jordan could have merely preserved the status quo, the administration might have been content. In the absence of a successful agreement with Canada, the Federal generating plants could not be expanded. Meanwhile, the administration itself could distribute, as agreeably as possible from the aspect of the private utilities, such kilowatts as were left. But after May 13, 1955, such a course was no longer possible. On that date the Canadian Parliament approved an appropriation of \$250,000 to study the feasibility of diverting the waters of the upper Columbia into the neighboring Fraser River watershed—a proposal championed by Gen. A. G. L. McNaughton, Chairman of the Canadian side of the International Joint Commission.

Such a diversion is no idle fantasy. By drilling a tunnel about 12 to 15 miles long through the Monashee Mountains, engineers could pour into one of the sources of the Fraser, at Shuswap Lake, a massive segment of the Columbia. As a result Canada would obtain more than 1,200 feet of extra head—8 times the drop of Niagara Falls—from a volume of water nearly equivalent to the total flow of the Colorado River, making possible an amount of power equal to the output of two Hoover Dams. And the 10-mile tunnels at the fabulous Kitmat project of the Aluminum Company of Canada, off to the north, have already demonstrated the practicability of such lengthy diversion for hydroelectric power production.

Would Canada dare divert a portion of a great river on which a neighboring and trusted ally is so heavily dependent? Perhaps she would. The Canadians believe they have the legal right to proceed. The Boundary Waters Treaty of 1909, which also created the International Joint Commission, provides that "each of the high contracting parties reserves to itself . . . the exclusive jurisdiction and control over the use and diversion, whether temporary or permanent, of all waters on its own sides of the line which in their natural channels would flow across the boundary." Some international lawyers claim the United States could bring huge damage suits if its powerplants are throttled, but under the treaty these might have to be litigated in the Exchequer Court of Canada—a chilly atmosphere for American complaints.

About the only comfort for the United States in this crisis comes not from human-kind, but from the great food fish of the North Pacific region—the sockeye salmon. One of the principal salmon runs spawns in the headwaters of the Fraser. Intricate fish ladders and staircases have been built to convey wayfaring salmon past hurtling chutes of froth, where the river is funneled between rockslides. The Fraser's sockeye migrations are worth a conservative \$32 million annually to fishermen and canneries. High dams on the Fraser, to take advantage of the diversion of water from the Columbia, would blockade off the fish from their

spawning grounds. And so British Columbia politics reverberates to protests over the diversion—not because it would injure the United States but because it would imperil the sockeye salmon. The upper Columbia, by contrast, is a fishless river. Dr. Ira N. Gabrielson, director of the Wildlife Management Institute and one of North America's leading biologists, has said, "I know of no better place to secure large amounts of water power for industry, without doing harm to fisheries, than on the upper reaches of the Columbia River."

Nearly 2 years ago, when I was in British Columbia studying this question for the Senate Interior Committee, I rode across the forested hump of Coquihalla Pass in a little red-painted train with Howard C. Green, then member of Parliament from Vancouver. As we looked down on Arrow Lakes, site of a proposed dam to store the Columbia's surplus flow, he said to me: "Really, you Americans ought to be bending over backward to work out an arrangement with us for our two countries to divide the benefits of Canadian storage. Sometimes we don't understand your intransigence. After all we hold most of the trump cards. We can divert the river because the river originates in our country. Possession is nine points of the law. We might already have done so, if it were not for the fish question."

Mr. Green is today Minister of Public Works in the new Conservative cabinet of Prime Minister John Diefenbaker. And, as these words are written, Canadian crews with transits and diamond drills are searching for the natural spot to drive a tunnel through the Monashees.

THE COLUMBIA'S CHALLENGE

It is no trick for two countries to share a river that flows along an international boundary—the St. Lawrence or Niagara, for example. The benefits are merely divided into two equal parts. A river which crosses a boundary at right angles is a sterner proposition.

Even the mathematics of the situation are complicated. The first 465 miles of the Columbia's 1,270 miles flow within Canada. The river leaps full blown from Columbia Lake and surges northwest toward the Arctic, until it is bent into a spectacular hairpin curve by the ramparts of the Canadian Rockies. Of the final volume of 180 million acre-feet of water that the Columbia contributes to the Pacific Ocean, some 62 million flow out of Canada. And many Canadian leaders feel that Canada has complete custody of the river while it makes its tortured canyon passage inside their borders.

But certain extraordinary physical characteristics of the Columbia make its joint use essential for two nations as determined to get along with each other as Canada and the United States. No river is more mountain born. Its source lies among the pinnacles and crags of most of the great ranges south of the sub-Arctic. And when the Rockies and Selkirks and Kootenais are mantled with melting snow cushions 40 feet deep, the Columbia's volume has risen to five-sixths that of the Mississippi itself. But when winter halts this melting process, the river dwindles down to a modest backwoods stream. No other major waterway has such wild fluctuations—from twice the volume of the Nile to a poky trickle. The average annual maximum flow of the Columbia at the boundary is 10 times its low-water average. This, of course, adds up to feast or famine for the huge powerplants on the American side of the line. Their penstocks can be either alarmingly dry or filled close to flooding.

But if the Columbia's crest waters could be stored in Canada's gorges and chasms, the contrasting droughts and freshets that dissipate much of the river's strength would be avoided. Ideal receptacles for these reser-

voirs pock the ranges. At Mica Creek, just below the Columbia's horseshoe bend, for instance, is a dam site where 10,500,000 acre-feet of water can be retained back of steel and concrete. The dimensions of such a project can best be appreciated by realizing that the proposed high dam at Hells Canyon would have stored 3,800,000 acre-feet of water, and the loss of this to a private power company scheme has rocked Pacific Northwest politics for years; and the end has not yet been heard.

The Chief of our Corps of Army Engineers, Maj. Gen. Emerson C. Itchner, told a Senate subcommittee over which I was presiding that the next logical projects to build in our realm of richest hydroelectric-power resources were definitely within the Canadian segment of the Columbia Basin, where enough water could be impounded to increase by 70 percent the nameplate rating on generators at such American powerplants as Chief Joseph and the Dalles Dams, without pouring any more concrete in the United States. Yet our Government has been so indolent and casual about reaching an agreement to make this possible that private corporations and various utility syndicates are now demanding the right to supersede the International Joint Commission and the State Department and to negotiate directly with Canada.

That restless personage, Mr. Henry J. Kaiser, in quest of additional kilowatts for his burgeoning aluminum factories, has proposed that he erect a dam at Arrow Lakes where the Columbia flattens out into a wide belly of blue water. The resulting extra generation downstream at such plants as Bonneville and Grand Coulee would be divided equally between the United States Government and Kaiser Aluminum & Chemical Corp. Out of his 50-percent share, Mr. Kaiser would reimburse the Province of British Columbia for being allowed to impound Canadian water on Canadian land.

When I was in Canada on behalf of Chairman JAMES E. MURRAY of the Senate Interior Committee, I found the business-oriented Social Credit regime in British Columbia highly disposed toward the Kaiser plan. The industrialist was even said to have deposited \$100,000 in a bank at Vancouver to demonstrate his good faith. However, the Liberal government at Ottawa frowned so sternly on the idea that a bill was hastened through Parliament requiring a federal license before any project could be undertaken on a river bisecting the border. It now remains to be seen what position the Conservative administration will take.

A parallel to the Kaiser proposal, on an even grander scale, is that of the Puget Sound Utilities Council, a combine of power companies and large municipal systems operating in the State of Washington. The council hopes to build a massive \$300 million dam at Mica Creek near Boat Encampment on the Columbia, and to transfer title to the project to the Province of British Columbia, which would receive as an outright gift the 704,000 kilowatts produced by Mica Creek's turbines. This is equivalent to receiving one and a half Bonneville Dams. Presumably, the council would also arrange with the United States Government a method whereby it would acquire, for the booming Seattle-Tacoma industrial area, the 1,076,000 additional kilowatts made possible in our own country by the Mica Creek storage reservoir.

THE UNCOLLECTED BILL

In a sense, such suggestions lower the dignity and prestige of our Government. No Canadian corporations or combines have offered to replace their country's government in the negotiations at stake. And what is to be said for either Kaiser Aluminum or the Puget Sound syndicate claiming as their own the extra power produced at projects belonging to the public?

"Senator," I was told by an Army engineer officer who must remain anonymous, "if Kaiser or Puget Sound can swing this deal, then Conrad Hilton is crazy if he doesn't ask permission to build an extra wing at the White House and rent it to paying guests."

The mere hint that brokers or middlemen take over the management of negotiations between nations as traditionally friendly as Canada and the United States is a symbol of the utter collapse of negotiations at the government level. True, the stubbornness which the two chief negotiators ascribe to each other has not helped the solution of questions inherently difficult and complex—ex-Governor Jordan has recently been replaced on the American side by an even more conspicuous symbol of hostility to Federal power, ex-Secretary of the Interior Douglas McKay.

General McNaughton has argued that the value of upstream storage to the Bonneville system should be measured in terms of the alternative cost of steam-power generation in the Northwest—which might be 6 mills per kilowatt-hour, compared to the 2½ mill power generated by the waters of the Northwest's rivers. Other Canadian spokesmen insist that Canada receive a proportion of the downstream kilowatts, on the theory that no amount of coin of the realm can duplicate for British Columbia the spectacular industrial development they have seen cheap hydroelectric power bring to the United States.

The United States has made no counter-proposals in response to these demands.

Our Government's indifference to the issue is underlined by the situation existing on the Pend Oreille River, a tributary of the Columbia which originates in Montana and Idaho and frets a turbulent course northward into Canada. The Hungry Horse Dam, a part of the Bonneville system, provides storage that is helpful to the Waneta plant of the West Kootenai Power & Light Co. on the Pend Oreille River in British Columbia. Here the United States might set a precedent which could guide a settlement with Canada about the main stem of the Columbia, where the watershed positions of the two nations are reversed. Accordingly, I wrote Secretary of State Dulles to ask if an arrangement had been made or sought, to exact reimbursement from the Canadian company.

I received this reply from John S. Hogland II, Acting Assistant for Congressional Relations:

"I believe no arrangements have been made for payments by the owners of the Waneta project in British Columbia for benefits received as a result of storing water upstream in the Hungry Horse Dam. There have been no diplomatic negotiations regarding this subject, and no requests for compensation have been made through the State Department."

Two weeks before Mr. Hogland's letter came to my desk, the authoritative Vancouver Daily Province reported that Federal experts in Ottawa agree with Senator NEUBERGER, and say Canada expects to pay.

Does our Government care?

SHORTCHANGING ALASKA

It is not only in the Pacific Northwest that vast industrial and economic expansion has been thwarted by the stalemate at the conference tables. Alaska, until now dependent on the seasonal uncertainties of fishing, mining, and logging, might acquire the first sizable permanent manufacturing establishment in its history.

The mighty Yukon rises in deep upland lakes only 15 miles from Dyea Inlet on the Pacific. But the 19,000-foot peaks of the coastal ranges barricade it from the ocean. So it plods 2,100 meandering miles in the other direction, emptying at last in the Bering Sea. After 840 miles in the Yukon

Territory of Canada, it passes a lonely boundary marker and spends the rest of its sluggish existence in Alaska.

But what if the Yukon could be turned around and a substantial segment of it diverted to the Pacific? What if the drop now dissipated in its 2,100-mile pilgrimage to the Bering Sea could be compressed into a slanting 15-mile tunnel through the mountains, and then a crashing vertical descent of more than 1,700 feet? This could mean a second Kitimat, where the reversal of the normal flow of the hanging lakes southeast of Prince Rupert has made it possible for the Aluminum Co. of Canada to lay out in the wilderness the largest aluminum-reduction plant ever planned, as well as a community which will have 50,000 inhabitants.

Another Kitimat—this one located in Alaska, observes Alaska's veteran Delegate in Congress, E. L. BARTLETT, could revolutionize the economy of Alaska and move us from the frontier to the industrial age, in one vast stride.

All the ingredients are there. The Yukon rises in five mountain-rimmed lakes connected by stubby rivers, and only the mountains keep them from pouring through penstocks into immense powerhouses which could be built at tidewater. The mountains can be tunneled. They are among the highest in the Western Hemisphere, but an easy obstacle compared to the swath which has been cut through scrub pine and alpine fir in the foothills of the coastal and Chilkat ranges. This swath denotes the international border.

The Taiya Valley, where the turbines and generators would be constructed near sea level, is in Alaska. The lakes feeding into the Yukon are in Canada, divided about equally between Yukon Territory and the Province of British Columbia. They might as well be in Siberia, for all the progress that has been made in working out agreements with Canada for the joint development of these vast, interdependent northwestern resources.

In June of 1951 the United States Bureau of Reclamation submitted its first extensive report on the Taiya project. The gist was that it seemed to be technically feasible to produce an eventual 900,000 kilowatts of water power on the shores of Dyea Inlet near Skagway, Alaska, if only some of the lakes nourishing the Yukon could be tapped. This is not only as much energy as the American share of the St. Lawrence Seaway, but, better still, the Bureau's engineers contended it could be developed at the extremely low rate of 2.1 mills a kilowatt-hour. And, the report confidently predicted, low cost of the abundant power potential would attract numerous industries from more costly power sites in the United States. Added transportation costs would be more than offset. This forecast came true almost before the reports were stitched and bound—the Aluminum Company of America took over McKinley National Park Lodge and announced ceremoniously that it was ready to erect a mammoth smelter at Dyea Inlet if the Taiya power project went through.

At this juncture the government of Canada called attention to the fact that, although Canadian water would produce Taiya power, virtually all the benefits would go to Alaska, an insultingly one-sided bargain. In the last days of the Truman Administration a few desultory efforts were made to offer Canada some quid pro quo. Because of the immense Canadian light-metal expansion at Kitimat and at Arvida in Quebec, Dr. John R. Steelman of the White House staff told Delegate BARTLETT that perhaps some concessions could be worked out with respect to our tariff on aluminum ingots. Other proposals involved licenses for the importation of Canadian natural gas southward across the border. But none of these ideas got out of the talking stage.

Delegate BARTLETT, who speaks for Alaska on Capitol Hill but is not allowed to participate in rollcalls, has been the leading public advocate of Taiya. Admittedly he is a partisan Democrat, but his prime interest is his constituency, and his opinion is worth listening to.

"Taiya originally was proposed when Mr. Truman was President, and a few efforts were made to reach an agreement with Canada over the great possibilities of the project," he says. "The efforts did not reach success. But, since 1953, nothing has happened, and when I say 'nothing' I mean just exactly that. Taiya appears to have been completely forgotten and abandoned. Rarely do I hear from the administration about what once had been our bright hope for economic independence for Alaska."

Recently the Frobisher Interests of Canada have talked of committing the water in the Yukon's lakes for power dams in the vicinity of Whitehorse to process the abundant minerals found in that region. This would probably not match the Taiya potential, because the drop would be infinitely less, but it would avoid the apportioning of benefits internationally.

NEW POWER FOR MAINE

Across the continent, on the St. John River, the same story of interminable delay is repeated. The St. John rises in the State of Maine and empties into the Bay of Fundy from New Brunswick. The projected Rankin Rapids storage reservoir of 1,460,000-acre-feet capacity in Maine could confer valuable advantages on power sites downstream where the river forms the international boundary for 70 miles, and where it lies wholly within the Canadian province of New Brunswick. At 5 locations, a total of 567,500 kilowatts could be generated—230,000 at Rankin Rapids, approximately 4 miles above the border, and the rest at sites claimed by Canada.

This power could be of great economic importance, because both Maine and the Canadian Maritime Provinces have lagged behind the recent general prosperity of their respective countries. But some formula must be worked out for requiring reimbursement from Canada for any addition to the production of its powerhouses made possible by water storage in Maine. Such a formula has completely eluded two nations which together could complete the Alaska Highway, defend the Aleutian Islands from direct invasion, establish farflung radar networks on Arctic Tundra, and agree trustfully to leave almost 4,000 miles of border without a single blockhouse or pillbox.

Our Government's lackadaisical approach to the problem of the waterpower bonanza going to waste on the borders cannot be separated from the Eisenhower administration's weird and inexplicable attitude toward the river which dominates the situation—the Columbia.

A TREASURE TO GAIN

The Columbia is to power production what the Mississippi is to navigation or the Nile to irrigation. I can remember standing on its shores with a famous Swedish hydraulic engineer who had been a delegate to the 1936 World Power Conference in Washington. Over and over again he exclaimed, "Do you people know what you have here? This is a great river like the Rhine, but it falls as far as our mountain brooks in Scandinavia. What a treasure."

President Franklin D. Roosevelt and such Senators of both parties as George W. Norris, of Nebraska, Homer Bone and Clarence C. Dill, of Washington, Charles McNary and Rufus C. Holman, of Oregon, Burton K. Wheeler and James E. Murray, of Montana, and William E. Borah, of Idaho, knew precisely what they had in the Columbia. Under their joint aegis, a vast hydroelectric

system came into existence. It not only generated more energy than any other water-power operation in the world, it also reclaimed immense expanses of arid land, retarded floods, and increased by 8 or 10 times the tonnage being navigated through the towering barrier of the Cascade Mountain Range.

On top of all this, the system has proved financially successful. Entirely as a result of power sales, the Bonneville Power Administration is \$77 million ahead of the repayment to the Treasury, which Congress established about 20 years ago. After less than two decades of operation, the power facilities of Bonneville are more than 41 percent paid for.

This power system has had a profound impact on the economy of the Pacific Northwest. The decade from 1938 to 1947 was the only period in the history of Oregon and Washington when they showed a greater gain in industrial payrolls than the national average. This coincided exactly with the time when low-cost kilowatts from the Columbia River system first became available. Not an ounce of aluminum was smelted west of the Mississippi in 1939. By late in the 1940's, nearly half of America's expanding aluminum production was originating in the Pacific Northwest. Every one of these potlines used energy from the Columbia for fuel. And bigger things were ahead. The Corps of Army Engineers had already planned such projects as McNary, The Dalles, and Chief Joseph Dams. But there were still many more choice sites left among those analyzed and recommended in the corps' famous 8-volume 308 Report of 1948—among them John Day, Paradise, and Hells Canyon.

Then the Presidency passed into the hands of the Republicans. Under Presidents Roosevelt and Truman, 20 river projects of greater or lesser magnitude had been authorized for Federal construction in the basin of the Columbia. Since Mr. Eisenhower entered the White House, he has preferred to turn over such sites as remain to private power companies.

This has taken two forms. At Hells Canyon, the administration has simply relinquished the site to a private utility corporation for three smaller dams which develop only one-fourth of its storage potential. At John Day, a site rivaling Hells Canyon in dimensions, the White House has proposed that the Government construct the fish ladders, spillways, and other "nonreimbursable" features of the dam, while a syndicate of power companies underwrites construction of the powerhouse. Of course, the revenues would be distributed accordingly.

The net result has been a lid on expansion of the Columbia River power system and a slowing down of the Northwest's economy. Per capita incomes have fallen off by comparison with the national average. In a region without local stores of oil, coal, or natural gas, it has been little short of calamitous to have its inexhaustible supply of industrial fuel—falling water—no longer tethered to giant penstocks and turbines. The Oregonian of Portland has stated that cheap and abundant power offers the best chance for an industrial revival.

To break the stalemate, I have introduced in the Senate a resolution calling for the creation of a North Pacific International Waterways Agency, staffed by engineering experts and technicians of the United States and Canada, to supplant the present International Joint Commission and to plan projects on international waterways along both sides of the border. The only considerations would be maximum power production, flood control, and other benefits. Accountants and engineers would use their calculating machines and slide rules to decide how the costs and benefits should be apportioned. The two sides of the present Commission, each representing a different nation, are certain

to accentuate national interests. A single agency, staffed by both countries, would be far more likely to place geographic realities first and international rivalries second.

Think what one will of President Eisenhower's domestic policies, in the field of world affairs he has put forth what I regard as a sincere and conscientious effort to be a successful leader of the free nations. The bogged-down river negotiations with our nearest ally offer him a magnificent opportunity for leadership at the international level—if only he can overcome his private-utility bias against the expansion of Federal powerplants.

Energy reserves could help shape the industrial competition now looming between the free and the Soviet world. Khrushchev is committed to a policy of excelling us on the production line. Water power is the most enduring and reliable energy of all, because it lasts forever and consumes not a cupful of such expendable fuels as coal, petroleum, and uranium. The rulers of the Soviet Union understand this. They are tapping Russia's rivers to the maximum. Soviet power production has soared 86 percent since 1950. Although still considerably behind the output of the United States, the Soviet Union actually tops our entire continent in potential hydroelectricity. I am informed by Senator HENRY M. JACKSON of Washington State, who recently visited Russia, that 40 big waterpower plants are under construction there. Three of these—Stalin Dam on the Volga, Krasnoyarsk on the Yenisei, and Bratsk Dam on the Angara River—will each exceed the power capacity of Grand Coulee.

"If the six major rivers of Siberia were fully developed," adds Senator JACKSON, they alone could produce 600 billion kilowatt-hours of power per year. This is more than 3 times present Soviet production, double the Kremlin's 1960 goals, and virtually equal to our own national electric-power output."

In view of Russia's urgent hydroelectric program, can the United States and Canada afford to let go to waste indefinitely the untapped resources of the Yukon, the St. John, and the Columbia merely because of obstinacy or lethargy at the conference table?

Postal Rate Policy

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. PORTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of my good friend and respected colleague, Senator RICHARD L. NEUBERGER, a member of the Senate Post Office and Civil Service Committee, given before the Oregon Newspaper Publishers Association in Portland, Oreg., on December 6, 1957:

REMARKS BY HON. RICHARD L. NEUBERGER, OF OREGON

I am happy to have this opportunity to discuss with you the pending postal rate increase bill now before the Congress. Undoubtedly, you are generally familiar with the proposals in H. R. 5836. They call for substantial increases in the rates to be charged for the several classes of mail. But before discussing with you the proposals and philosophy contained in the new postal

rate-increase bill, I should like to review, in a broad way, the indispensable place the post office has in our economy and the close, personal importance it holds for each of us.

Our postal service has had a vital part in the growth and development of America. History records the fact that the postal service was substantially responsible for the creation and growth of our merchant marine; that the fundamental need of our people for adequate postal service contributed heavily to the growth and development of our vast system of railroads. Until recently, our postal service provided substantial subsidies essential to the growth and development of the airlines. If there is any question in your mind having to do with the vital part the postal service contributes to the continuing operation of the railroads, we need look no further than the frantic protests raised when a branch rail line is proposed to be discontinued as a result of the cancellation of an existing mail-carrying contract with a railroad.

Beneficial postage rates have given many an infant business its start in life, to grow, to employ people, to pay taxes, to help make America strong and great. Fair postal rates have greatly aided in making Americans the best informed people on the face of the earth, have broadened and strengthened our cultural and spiritual heritage. There is no doubt in my mind that the postal service of the United States provides a tremendous bulwark to all the many phases of our national life and, as such, is an essential public service.

The 83d Congress in 1954 gave full confirmation to the public service concept when the Senate Post Office and Civil Service Committee, under the leadership of Senator FRANK CARLSON, Republican, of Kansas, through its Advisory Council, declared: "The Post Office Department is fundamentally a public service to the people of the United States, and should be so considered."

More recently this year, under the leadership of Senator OLIN D. JOHNSTON, Democrat, of South Carolina, a citizens' advisory council filed with the Senate committee a substantial and detailed report entitled "The Post Office as a Public Service." The council declared its finding that the total public service values that could be definitely pinpointed in cost figures were greater in total than the deficit stated as having been established by the Post Office Department for fiscal year 1955. It is in the area of public service, in the identification and cost of the several items of public service, that we come into bona fide conflict with the present administration and its postal philosophy.

The present Postmaster General has referred to the Post Office Department as a public utility, or as a business which should be fully self-supported through postal fees paid by users of the mails. That sounds fine as a superficial theory, until the Postmaster General's theory runs head on into the practical consideration of the large deficits on specific public-service items for which the Congress has declared low beneficial postal rates.

For example, the hundreds of nonprofit magazines and newspapers of this country have a large annual circulation. They serve principally religious, fraternal, and scientific groups. These publications incur a postal deficit of approximately \$50 million per year, that is, the difference between postal revenues and allocated expenses. In the several rate bills proposed by the present administration since 1952 there has been no effort made to increase the below-cost postal rates on this type of publication. It is my belief Congress was wise in authorizing beneficial below-cost postal rates for such public service cultural publications. But, when questioned on postal revenue losses in this area of service, the Postmaster General has been distinctly evasive.

To be consistent in his contention that the Post Office Department should be on a pay-as-you-go basis, why has the Postmaster General not asked for substantial increases in postal rates for this particular category of mail? The Postmaster General's testimony to Congress gives clear impression that he feels these losses from below-cost postal rates in the public service should be borne by other mail users through excessively high postal charges. Such a policy is practically punitive in its effect, particularly on small businesses. I don't think we have reached a point in this country where we are going to ask businesses—which must make a profit or perish—to underwrite such public service postal losses, particularly as such nonprofit publications compete for advertising with the in-business-for-profit newspapers and magazines.

Another type of desirable public service in the field of publishing, which has substantially contributed to our national advancement, is the free-in-county newspapers. These cost the Post Office a net revenue loss of approximately \$14 million a year. To be consistent in its pay-as-you-go philosophy, the Post Office Department should charge full cost for this kind of service. But, to put that service on a pay-as-you-go basis, would sound the death knell of many of our fine and valuable county newspapers. There are many other types of public services which could be enumerated to emphasize the point.

RURAL FREE DELIVERY A PUBLIC SERVICE

Rural free delivery is one of these. Rural free delivery was established in 1896. Today, it serves approximately one-fifth of the Nation. Rural free delivery carriers deliver mail to more than 35 million of our people. This year, the Citizens' Advisory Council reported that approximately \$95 million was the cost of the public welfare service provided in rural free delivery. Were the Post Office to insist on a pay-as-you-go basis for rural free delivery, farm families would pay much more for postal service than they do now. Frequently it costs 10 times more to deliver a letter on a remote rural route than in a crowded city. The rural free delivery system was established to provide our farm and suburban folks with benefits equal to those of the city dweller. Without rural free delivery, families in lonely rural areas would be heavily penalized.

Consider, too, America's parcel-post service, which annually carries upwards of a billion small packages to even the most remote regions of our country. Parcel post is a constant and personal part of the life of each of us—businessmen, farmers, householders. We're all particularly aware of that fact right now in sending and receiving our Christmas packages.

But the essential national function of parcel post, a self-supporting service with rates set by the Postmaster General and the Interstate Commerce Commission and not by Congress, is being curtailed.

Throughout the Nation's legislative history in the development and growth of our great postal service, there is constant, frequent reference to the fact that adequate postal communication should be provided to all Americans, everywhere, without primary considerations of cost or profit to the Government of the United States. Postal service has always been considered primarily and basically a vital public service.

These examples are cited to demonstrate the fallacy of the present administration's philosophy that the Post Office is a public utility, or should be considered as a business on a pay-as-you-go basis. Carrying the administration's philosophy to the ultimate would mean that we would have to pay much more for postal services. Such higher postal rates would be manifestly unfair in many respects, because the ordinary mailer would thus also be carrying the burden of losses on public-service items. Or it would mean

the elimination of uneconomic operations as is the practice in private business, which, in turn, would deny many of our citizens an adequate mail service.

WHY PICK ON THE POST OFFICE?

I am not afraid to vote general taxes to help make up any postal operating deficit which is due to an adequate and efficient postal system which serves the American public at fair and equitable rates. Our Federal Government consists of some 10 major departments and hundreds of lesser bureaus. There is no valid reason why the Post Office should be singled out for operation at a profit, while all the others can incur large deficits which amount up to many billions of dollars.

Postal rates could be raised to a point where they hampered and choked off many legitimate business undertakings. This might be necessary for a profitmaking postal system. Yet would it be wise?

I have not subscribed to the so-called Hoover Commission theory that those who get governmental services should pay for them. It sounds persuasive. When adapted to our postal system it demands stiff rates from certain users. Yet, apply it to other spheres of Government and see what happens.

Would this theory not exempt from school taxes all families without children of their own? What about local fire protection? Would the Hoover theory not result in billing a household for turning out the hook and ladder to douse an attic fire? If an elderly woman faints on the sidewalk, should her family be billed for the hourly wages and motor-vehicle costs of the patrolman who drives her to a hospital or doctor's office? These are questions implicit in the whole idea of those who get governmental services should pay for them.

I consider the Post Office a service institution. I want revenues to be as near as possible to postal costs and expenses. But I do not want a false standard raised for fusing these two areas. We could balance the postal budget at the cost of impairing the Nation's economy, particularly to the detriment of the less favored users of our mail system.

You have commented considerably, pro and con, in your columns on the current postal rate controversy. I know the American Newspaper Publishers Association has declared it wants no subsidies, and that the association has resisted postal rate increases until publishers may know precisely what the costs are. Unfortunately, much of the Post Office Department propaganda has found its way into newspaper columns. Much of it is so misleading that the average American finds it difficult to arrive at a sound judgment. For example, the Postmaster General has frequently referred to the fact that the Post Office Department incurs a \$250 million annual loss on second-class mail. Second-class mail, as you know, is the category including newspapers and magazines.

SUMMERFIELD BLAMES MAGAZINE PUBLISHERS

Recently, in a nationwide telecast, Mr. Summerfield said that the loss on second-class mail amounted to \$250 million per year, and further commented that "the newspapers are responsible for a small portion of the total loss of second-class mail." In short, he placed most of the blame squarely on the backs of the magazine publishers. But what is the actual truth?

In the Cost Ascertainment Report for 1956 the Post Office shows the total loss on second-class mail as amounting to \$269 million. Of this loss, the newspapers account for approximately \$104 million, and that is making no allowance for that portion of exempt publications which is used by newspapers.

Despite Mr. Summerfield's statement that the newspapers are responsible for a small portion of this alleged loss, his own accounting facts reveal that they are responsible for

approximately 50 percent of this alleged loss. I do not make this statement as being critical in any essential of our newspaper industry, but rather as showing the confusion that exists in the public mind as a result of misleading information and inaccurate statements.

I referred to the \$269 million as an "alleged loss." This alleged loss, and others, are based on mere cost-ascertainment determinations, and the Post Office Department has repeatedly warned the Congress that to use cost ascertainment exclusively as a ratemaking device is a fallacy. Accordingly, the Post Office Department has modified cost ascertainment by making certain provisions for the usual allocation of costs based on standard ratemaking factors, such as priority and preference of service, value of product, ability to pay, and other intangible factors. When this formula is applied to Post Office Department costs, an amazing result is revealed. The alleged second-class deficit of \$269 million, so glibly asserted by the Postmaster General in publicity statements, suddenly shrinks to \$102 million. That is a reduction of \$167 million. And the \$102 million still remaining includes many items of public service for which the Post Office itself has requested no increase.

If second-class mail is to be placed on a pay-as-you-go basis, then many publishers of newspapers and magazines would be required to foot the bill for much free and privileged mail, some of which is in direct competition with your industry.

The forthcoming session of the 85th Congress will see great pressures being exerted for the enactment of a postal rate-increase bill. This undoubtedly will be used by the administration as a basis for approving Federal and postal employees' pay increases. I am thoroughly opposed to linking pay increases with rates, for it doesn't make sense.

There are now over 2 million employees in the Federal Government. Approximately one-fourth of these work for the Post Office Department. Is it the administration's contention that mailers, through increased postal rates, should bear the brunt of employee pay increases for the entire Federal Government? Certainly, the Federal Government is not asking for increases in visitors' fees to the National Parks, for increases in Patent Office fees, for increases in airline fees for use of airway facilities, nor for increases in payment for other public services provided by the Federal Government.

CONSIDER PAY INCREASE ON ITS MERITS

I support a fair and adequate pay increase for Federal and postal employees. But such pay increases should be considered strictly on their own merits, with no relation whatsoever to rates or fees to be charged the American public for services provided by the Federal Government.

I wonder how often we tend to forget that in the early days of the postal service the recipient paid for the transmission of mail at the time he received it. The high rates imposed, and the difficulty of collecting, led the Congress early to enact lower beneficial postal rates in the public interest.

In 1792, George Washington made the following statement to the Congress: "In consequence of the rate of postage imposed on the transmission of newspapers by the Post Office law, many persons in Virginia who had heretofore taken newspapers from this city had declined receiving them any longer; and that many others declared that they had only continued to take them under a full persuasion that the rates of postage would be reduced during the present session of Congress, and that if such reduction would not take place they would desire their printers to stop their papers." The public service obligations of our postal system to the American people were obvious then as they are now.

For a moment or two let us analyze the rate bill as it passed the House. You will recall that it provides for a 1-cent increase in first class mail—that is letter mail; a 1-cent increase in airmail, and increasing the postal-card rate from 2 cents to 3 cents. The bill provides for an increase of 60 percent on second-class mail, spread over a period of 4 years. It also provides that the 5,000 press-run newspapers will be exempted from the rate increase. There is also a provision limiting the subsidy to any one publication to \$100,000 based on the Post Office Department's cost ascertainment figures.

For third class mail, the bill provides for immediate hiking of the bulk minimum per piece rate from 1½ to 2½ cents.

The House bill also carries, as title II, a postal policy which is not only inconsistent with the Post Office Department's own philosophy respecting postal rates, but does nothing to resolve many of the public service problems of the Post Office Department. A policy provision such as the one contained in this bill is not self-executing, and needs revision if it is to provide a workable and equitable basis for present and future postal rate action.

I do not favor the postal rate bill as passed the House. I believe there is much work still to be done before we can properly or fairly solve the perennial postal rate dilemma.

First of all, Congress should adopt a modern postal policy enumerating the public services properly to be paid for out of the general tax funds as expenditures in the public welfare. The present bill does not include such essential policy provisions.

As I have mentioned, the present postal rate bill provides that the 5,000 press run newspapers shall be exempted from postal rate increases. This may be a valid provision, although certain newspaper groups have strenuously objected to it. But my point is this: if this provision remains in the bill, then I insist it is incumbent upon the Congress to put a dollar value on the subsidy involved, and provide that it be borne from the general tax funds. It should not fall upon other postal customers. Depending upon which set of figures is used, this subsidy could run anywhere from \$10 million to upwards of \$20 million or more per annum.

THE NEED FOR A POSTAL POLICY

At the present time, postal rates are being determined by the Post Office Department, the Interstate Commerce Commission, and the Congress of the United States. Once the Congress has adopted a much needed postal policy, I believe that all postal ratemaking authority should be vested in the Congress, so as to insure continuing consistency with postal policy.

With respect to the proposed increase in first class mail, for years this category has shown a substantial profit. Now, under the present Post Office formula costs have been shifted so that it carries a substantial loss. However, the Post Office formula was adopted without benefit of a Congressional policy enactment, which makes their findings inconclusive and possibly inaccurate.

The proposed rate increases for second class mail, in my opinion, would tender to foster monopoly. Bear in mind that there are 25,000 publications equally divided between newspapers and magazines entered as second class mail. Unquestionably, some of the larger publications could stand a 60 percent increase in rates spread over 4 years, but what about the smaller publications whose profit margins are declining, and whose struggle to stay in business would end if faced with a 60 percent increase? Are we ready in this country to turn our press over to the hands of a few, and vest it in a quasi-monopoly? Under such circumstances I doubt if our press would be any longer free.

Would it possibly dare to call to the attention of our people the shortcomings of the present administration with respect to our

scientific race with other nations? Would the publication *Aviation Weekly* have told us, as it did in a recent edition, that the technological and scientific developments of Russia have been observed for a period of 2 years through our radar installations in Turkey?

Our press discharges the obligation our forefathers placed upon it when it brings to public light mistakes and inconsistencies of our leaders, who are held responsible for actions which benefit the general welfare.

I recognize that many daily newspapers have found other ways to distribute their mail than through the post office. Editor and Publisher recently reported a 11 percent decline in the use of the mails for newspaper distribution since the last 30 percent increase went into effect in 1951. But many weekly newspapers and magazines, totally dependent on mail for delivery, may not be able to withstand the impact of a drastic rate increase such as is currently proposed; 60 percent added to present second class mail rates would mean a total increase of 108 percent since 1951. I believe this is a cost factor far in excess of the increases in other business costs.

You have perhaps given some thought to the so-called Rhodes amendment, which limits the subsidy of any one periodical to \$100,000 per annum to be determined by cost ascertainment findings of the Post Office Department. Just a word on that. In the first place, the Post Office Department itself has condemned cost ascertainment as a sole basis for postal ratemaking, secondly, it seems to me the Rhodes amendment would vest in the Postmaster General a power over the free press perilous to our country's welfare.

The proposed arrangement would permit one individual, the Postmaster General, to set varying costs on competing publications. He could give preferment to one publication over another. Bias could enter into such judgments. The implications of such a dictatorship are obvious. Even the present Postmaster General admits the Rhodes amendment is unworkable. I, for one, am reluctant to support it.

TOO STEEP INCREASE ON THIRD CLASS

The proposal to raise the per piece rate on third class mail from 1½ to 2½ cents is far too drastic. It would cause widespread damage to small business, which is already in sore straits. Many small businesses in this country find third class mail essential as an effective and economical means of advertising and selling their products. These are the small businesses which cannot afford the substantial cost of advertising through radio, television, and the press.

I feel that the United States Government owes small business every possible encouragement to prosper and grow. There has been testimony before the committees of Congress that small businesses dependent upon the mails could not survive this large increase proposed in postal rates. Bear in mind that there are 225,000 third-class mail permits in existence today. It is estimated that the users of these permits have built up a total of about \$15 billion annual business. I, for one, would want to approach the matter of increasing third-class mail rates with exceeding caution, and with the full knowledge of the great damage to the national economy which could easily result from ill-considered Congressional action.

The present administration is asking our people to pay more money for less service. It is asking us to pay a premium for built-in waste and inefficiency. The *Oakland Tribune* of Oakland, Calif., in an editorial dated August 20, 1957, asked that we bring back the pony express and stated: "The truth must be faced: whatever the reason, mail service in the bay area is little better than in the days of its infancy."

There is general complaint that the mail service is deteriorating throughout the Nation. Senator OLIN D. JOHNSTON of South Carolina, who is chairman of the Senate Post Office and Civil Service Committee, has offered a bill to provide modernization of postal facilities. He proposed to borrow \$2 billion from the Federal Employees' Retirement Fund. He believes this will provide better service to the American people at drastically reduced costs. I shall support him in this effort.

The Postmaster General has laid the blame on Congress for not providing sufficient money for modernization and technical improvement. But the Congress has given him practically every dollar he has requested. Last year, for example, he asked for \$23,200,000 for administration and research, of which \$4 million was actually for research. Initially he got \$20,500,000 of this, plus another \$2 million in the form of a supplemental request. Of \$229,500,000 which he requested for buildings and facilities, Congress initially voted \$220 million, and added \$17 million in a supplemental appropriation.

The Senate Post Office and Civil Service Committee has spent many thousands of dollars investigating these postal problems. I don't want to see this substantial expenditure of the taxpayers' money wasted. I am thoroughly convinced it will be possible in the next session of Congress to develop a modern postal policy so greatly needed. Once Congress has accomplished this, I feel we will then be in a position to act intelligently and constructively on postal-rate increases and other crucial postal matters.

Opportunities for Youth

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the text of an address I delivered in New York before the Italian Board of Guardians on December 17, 1957. I was one of the founders of this very worthy organization back in 1936 to combat juvenile delinquency and to rehabilitate young delinquents to useful citizenship.

The address reads as follows:

SCIENCE OPPORTUNITIES FOR YOUTH

Mr. Chairman, dear friends, I am extremely grateful for your invitation to speak to you on this occasion. This organization and its activities always finds a warm spot and a responsive chord in my heart. As you well know, my interests and my efforts in public welfare began more than two decades ago when I became active in this organization. To this very day I am still vitally interested in the problem of delinquent children and related problems.

The famous Irish novelist George Moore was asked on his 80th birthday to what he attributed his longevity. He replied: "I never touched tobacco, liquor or a woman until I was almost 11 years old."

Unfortunately, not all people are endowed with the talents of a George Moore. Many a youngster, who tastes tobacco or liquor or who falls into bad company at an early age, suddenly discovers that he has become a problem of society whom we call a delinquent. In some instances, we are able to rehabilitate these youngsters and to make

worthwhile citizens out of them. This is the kind of work your organization has been doing successfully for so many years. In too many other instances, it is either too late or beyond the scope of rehabilitation, and such youngsters waste their lives behind bars.

I often think: How different their lives could have been if they had had a fair chance to develop their talents and their capacities for the productive and the positive things in life? Occasionally, we read in the press of grim crimes committed by youths or adults where they utilized their superficial knowledge of science to cause death or destruction. And we wonder: Why? Here was a person who showed a definite inclination to things scientific. Why couldn't we have given him a proper kind of training in this field of endeavor so that he would have utilized his inclination for the betterment of society, not for its destruction? Where have we failed?

We all know the size of the delinquency problem, which at times appears staggering and frightening. In 1956, for example, more than 530,000 children appeared before police and juvenile court authorities throughout the country. By 1965, it is estimated by the Senate Subcommittee To Investigate Juvenile Delinquency, over a million of the Nation's children will appear before the courts, if the upward trend in juvenile delinquency continues unabated. This is a tremendously large percentage of our youth, when we consider the fact that the majority of these boys and girls who come before the courts are between 15 and 17 years of age.

Their offenses include everything from gambling to murder, and from driving while intoxicated to rape. Figures compiled by the FBI for 1955 show that young people under 18 committed 68 percent of the auto thefts, 61 percent of the larcenies, 58 percent of the burglaries, 27 percent of the robberies, 23 percent of the rapes, 10 percent of the assault cases, and 7 percent of the homicides. These are figures of which we cannot be proud. They should be studied and well analyzed by parents, educators, court authorities, the police, civic leaders, and others.

Not only has the number of delinquents increased alarmingly in recent years, but there is some indication that the nature of delinquency has changed as these youthful criminals have made greater use of our technical and scientific knowledge for their purposes. The magazine *Newsweek*, in its issue of August 19, 1957, had an article on "Why the Young Kill," in which it said that today's juvenile delinquents are different than those of a generation ago.

"Today's teen-age gangs," it is stated in the article, "take killing in their stride, and they have gone far past the zip gun. To get their 'piece' (the gun that is their heavy artillery) they join the National Guard and steal a .45 caliber automatic pistol; they have even taken submachine guns. The weapon can be anything."

Zip guns and teen-age gangs are of fairly recent origin. The zip gun was invented in 1943, and this invention practically revolutionized the approach of the juvenile gangsters to acts of delinquency. It is said to have been invented by an unknown genius in a vocational correctional school in New York, who made it during his free hours while an inmate at the school. Using one of the school lathes, he took a piece of metal tubing, which was used as insulation for the wiring inside an electric lamp stand, and constructed it into a gun barrel that could fire a single pointed pellet propelled by heavy twisted bands. While the instrument was inaccurate beyond 10 feet, it could and did kill.

What a pity that such inventiveness and ingenuity could not be applied in a more productive way.

Or take the case of Max Shinborn, known about a generation ago as the king of bur-

glars. He came to New York from Germany at the age of 24, with a wide knowledge of mechanics. He obtained a job with the Lilly Safe Co., one of the largest in the country at the time. There he perfected his knowledge of the workings of combination locks and the composition of safes. He mastered every detail of the science, art, and practice of safemaking, so much so that no burglar-proof safe was burglarproof from Max Shinborn. In a book entitled "Celebrated Crimes," the author (George Dilnot) says of Shinborn that "he pursued burglary as a science, as a high art, with an assiduity that might be envied by kings of industry in any other walks of life."

Such examples of delinquent ingenuity are to be found very often in the crime reports in our press. In many such instances the perpetrators of the crime proceed with skill, and through the use of some scientific knowledge which they picked up secondhand in order to perform the criminal act.

Former Senator Robert C. Hendrickson, who was chairman of the Subcommittee To Investigate Juvenile Delinquency when he was in the Senate, published a book in 1956 entitled "Youth in Danger." Let me quote to you a few sentences:

"Too many of us, I believe, have a tendency to regard a delinquent as a youth who is just bad to the bone, and it is a bit startling to be told that delinquents frequently possess in high degree those very qualities that, funneled in a different direction, create the leaders of our society. Yet this is literally true. There is sound statistical evidence to justify the statement that delinquents often are conspicuous for their abundant energy, assertiveness, physical prowess, and imagination—all admirable components of the personalities of many of our outstanding men.

"Delinquents, indeed, may possess these estimable traits in greater degree than non-delinquents, and it is a part of their tragedy that qualities containing such potential good becomes the basis of their undoing. I know that the picture I am giving here reverses the widely prevalent conception of the delinquent as a weakling, a mental incompetent, a generally inferior human being. In any given case, he may be. But we should rid ourselves of the misconception that delinquents as a class are uniformly inferior. Many of them are superior to more law-abiding but more placid and less energetic non-delinquents."

I do not wish to go into a discussion at this time of means and methods to stem the continuously rising delinquency rate. This is a problem in itself. You are, I am sure, familiar with some of the suggestions that have been raised concerning the possibility of curbing delinquency tendencies among our youth. Some maintain that this process should begin on the family level in the home, others believe the schools should become the most important single factor in detecting delinquency traits. Some advocate improving our curricula, others think we ought to improve teacher training so that the teachers can detect emotional problems and the symptoms of tension in children at an early age.

I want to suggest another way, an indirect way; it is not a solution of the problem, but one which would have considerable influence on our youth for the good. For the past few weeks I have given a good deal of thought to the idea of a United States Science Academy, which would be established and administered along the same lines as the United States Military Academy at West Point, the Naval Academy at Annapolis, and the Air Force Academy at Denver. In fact, I am now in the midst of drafting a bill to set up such an academy and I shall introduce it when the new session of Congress opens on January 7.

I often have the strong conviction that our public authorities in the Federal Government, in the States and municipalities,

are failing in their responsibilities to the youth of America. Because of my interest in setting up a United States Science Academy along the lines just described to you, I would be the last one to question the need for producing missiles and others of the latest weapons for the defense of our country. But I tell you it is just as important to take care of the problems of our children and to provide for them the opportunities for a good education that will bring out the best that is in them, as it is to produce the latest weapons. Right now the emphasis is on science and scientific training. If we had provided the opportunities for scientific training, if we had had a United States Science Academy, many of these youthful offenders might have had the chance to use their talents and capacities for constructive purposes and could have avoided the path of crime.

If there is any thought I want to leave with you today it is this: There is still much lethargy among the people, particularly among people in authority, toward the problems of juvenile delinquency. We must keep up the fight against this lethargy. And this is where your organization can do a wonderful job. Do not become discouraged. Such things cannot be accomplished overnight, but it can be done and it must be done.

Another thought in this direction is to help provide as many opportunities of an educational nature, not merely recreational, for our youth. This can be done by encouraging young people to continue their education in all fields, but especially in science. It can be done by urging Congress, the State legislatures, the municipal governments, to appropriate more funds for educational purposes, for building more schools, for training more teachers. It can be done by urging the State and city boards of education, the colleges and schools, to reevaluate and improve curriculums and to make the climate in the schools more appealing to youngsters.

I might also suggest that your organization could go on record in support of my proposal for the establishment of a United States Science Academy, and to obtain similar endorsements from other groups.

The thing to remember is this: We get out of life what we put into it; we find in life that which we are trained to look for. The child who gets no specific training for a constructive life, or is even denied such opportunities, cannot be expected to develop into a responsible and law-abiding citizen. Let me illustrate it, in conclusion, with this little story:

A man who owned a large tract of land once invited four young men to spend their summer holiday on his farm. Although the farm was large, it was rocky and quite barren. The man promised the four young people that he would give them anything of value they might find on the place. After the summer was over, the man asked each of the four young men what they had found.

The first grunted out roughly: "There's nothing I want here. There's nothing to see, nowhere to go, nothing to use."

The second, who was an artist, said that he admires the scenic beauty of the place and its winding valley, and that he depicted its scenes in several paintings which he made during his stay.

The third, a botanist, said that he found great delight in collecting certain rare herbs and roots which he found on the farm, and that he will sell them to a manufacturing druggist when he returns to the city and expects a nice sum of money for it.

The fourth, a geologist, made certain explorations of the earth and the rocks on the farm and he discovered a few nuggets of gold.

Four men and four different approaches, each of them pursuing life in his own way. The tragedy concerns the first one, who saw

nothing and found nothing. How tragic it is that so many of our youth grow up to see nothing and to find nothing in life. These are the ones who fill our courts and jails, they make the crime columns in our newspapers. They deny themselves the opportunity for a decent life, because they are denied the opportunity to obtain a proper education and the development of their talents. It is high time that we correct this situation before it gets too much out of hand.

Social Security in 1958

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 21, 1958

Mr. REED. Mr. Speaker, three present Members of the House—Mr. JOHN W. MCCORMACK, Mr. THOMAS A. JENKINS, and I were members of the Ways and Means Committee in 1935 when it reported out the Social Security Act. The report accompanying this legislation included minority views which Mr. JENKINS and I signed. These views concluded with the statement that:

The minority membership of the Ways and Means Committee have at no time offered any political or partisan opposition to the progress of this measure, but on the contrary, have labored faithfully in an effort to produce a measure which would be constitutional and that would inure to the general welfare of all the people.

That nonpartisan spirit has prevailed throughout the intervening 23 years, both during the periods when my good friends, Mr. Robert L. Doughton and Mr. Jere Cooper, were chairmen of the committee and our party was in the minority, and during the periods my good friend, Harold Knutson, and I were chairmen and ours was the majority party.

All of us on both sides of the House have a right to be proud that in social-security legislation over the years we have followed the letter and spirit of this initial statement and "have labored faithfully in an effort to produce a measure that would inure to the general welfare of all the people." That this tradition of statesmanship shall continue to govern our actions is currently of highest importance in view of recent social-security developments to which I shall shortly refer.

The 23 years since the enactment of social security have witnessed profound changes. We have had not only the greatest war in history but the greatest economic expansion in any two decades of our national life—and our Social Security System has reflected this fact. Between January 1, 1937, when social-security taxes first became payable, and 1950 when its coverage was first substantially amended, our economic expansion was reflected by the constant increase in social-security revenues. Earning subject to social-security taxes and accordingly social-security-tax receipts, doubled between 1938 and 1942, and in 1950 were nearly three and a half times what they were in 1938.

Besides increases due to our economic growth, revenues have been further increased by the 1950 and subsequent amendments. These have increased coverage from about three jobs out of five to the presently nearly universal coverage, and have increased the maximum employer-employee taxes on an individual from \$60 per year to a present \$168 plus \$21 for disability. This has meant a nearly fourfold increase in revenue—from less than \$1.7 billion in fiscal 1948–49 to over \$6.5 billion in fiscal 1956–57—plus a third of a billion from 6 months' taxes for disability.

As rapid as these increases in contributions have been, they have not kept pace with the increase in benefit disbursements. The natural increases in numbers eligible for benefits and in benefit levels would have been great. But these increases were greatly augmented by the 1950, 1952, 1954, and 1956 amendments which liberalized benefit formulas, provided for new starts, disability freezes and dropouts for computing benefits, reduced eligibility requirements, increased permissible earnings of beneficiaries, reduced the retirement age for women, and otherwise increased benefit payments. In combination, benefit expenditures have increased some tenfold, from less than \$0.7 billion in 1948–49 to nearly \$6.7 billion in 1956–57—while supporting contributions increased less than fourfold—from some \$1.7 billion in 1948–49 to some \$6.5 billion in 1956–57.

Let me repeat these critical figures for the fiscal year ending last June, giving the exact amounts to the nearest \$1,000: contributions \$6,539,887,000, and expenditures \$6,664,638,000. For the first time in its history the System's disbursements exceeded its contributions. It lacked \$124,751,000 of being pay as you go. This crossing point, where expenditures exceeded contributions was estimated in 1956 to occur just before 1960. On the basis of those estimates, we provided in 1956 for a combined employer-employee tax increase of 1 percent, effective January 1, 1960, and for similar increases in 1965, 1970, and 1975.

At the time of the 1956 amendments your committee secured the best estimates then possible. When the conference agreement of July 16 settled the minor Senate-House differences, estimates were again made, this time on the agreed bill, and were printed on July 23, 1956. Table 7 of those estimates showed for 1957 and 1958 that contributions would exceed benefit expenditures, that in 1959 the contributions plus interest would exceed benefit expenditures, and that in 1960 with the scheduled social-security tax increase, contributions would again substantially exceed expenditures. In each of these years the trust fund would increase. The balance of \$21.8 billion at the beginning of 1956, was estimated to increase to \$24.5 billion by the end of 1959, and to nearly \$26 billion by the end of 1960.

These estimates were based on high employment assumptions and were so labeled. High employment means not only high-payroll tax receipts, but also importantly affects the number who decide to retire and hence the size of benefit

disbursements. Intermediate assumptions were made for other factors such as mortality.

I mention these assumptions because, as is illustrated by what has actually happened since the estimates, it is utterly impossible to make any social security estimates not subject to very substantial variations. Perhaps we should have warned the House as to these implications of high employment assumptions, but I question whether it would have made any difference had we done so. I feel that we have had as good actuarial advice as is possible, and that the actual situation which has developed is not to be considered a reflection on Mr. Robert J. Myers, who has been the social-security actuary and our committee's actuarial adviser for many years. Mr. Myers has rendered to the social-security program and to the Congress very distinguished service as the chief actuary and as the Congressional adviser on actuarial matters. Mr. Myers has brought to his duties great professional competence and abundant integrity that have given to those relying on his ability deserved confidence in his well-considered views. Instead, it is due to economic and other uncertainties inherent in old-age and survivors' insurance, which cannot be resolved into dependable estimates by any actuary. We find this inherent uncertainty reflected in the latest Trustees' Report on the Social Security Trust Fund, filed last April 30. This report contains estimates which have two assumptions as to future employment levels. Under one of these, the trust fund is estimated to increase by June 30, 1961, more than \$2 billion over the estimated balance of June 30, 1957. Under the other assumption, the trust fund is estimated to decrease some \$1.8 billion. Both estimates include contributions plus interest on the trust fund, in receipts. Both estimates show that expenditures will exceed contributions—under one assumption this deficit is over a quarter of a billion dollars, under the other it is over \$4 billion.

Recent experience indicates that even this disturbing report may prove optimistic.

Estimated contributions for fiscal 1956–57 were more than a quarter of a billion dollars above the amount actually realized and estimated expenditures nearly a quarter of a billion dollars less than were actually spent. The estimated surplus of contributions over expenditures turned out to be nearly a half billion dollars wrong. It turned out that we had nearly a quarter of a million dollar deficit.

The estimates for the current year may prove to be overoptimistic by a much greater margin than were last year's estimates.

It is questionable whether the revenues for the current year will actually exceed last year's revenues, but the estimates call for about a billion dollars more. It is practically certain that expenditures for the current year will be far more than three times the expenditures which we have figures on for the first third of the year—so we can feel almost certain that these are again very greatly underestimated.

I look forward to the next trustees' report, which we should receive by next April, as I feel certain that its new estimates will take account of the actual experience occurring since the last report. It should prove most helpful in deciding on appropriate action.

The last few months have demonstrated that social security's basic variables so affect its income and outgo that even with the finest actuarial advice there is a tremendous uncertainty as to what costs are going to be and what social security tax rates will be needed to meet these costs. We have had brought home the fact that in contrast with ordinary insurance and annuities where the annual premium is fixed within narrow limits and actuaries deal principally with mortality, social security requires also the best guess possible of future economic conditions. For these future conditions largely determine the total earnings which will be taxed and hence the System's future contributions, and also greatly affect the size of the rolls and, in the long range, the benefit levels, and hence the expenditures. We need more experience in the actual operations of the 1956 amendments.

The situation I have outlined calls for statesmanship of a high order. As is always the case, there are numerous social-security bills pending before the Ways and Means Committee for liberalizing the System. These were introduced in good faith and possibly may be construed as commitments of their authors. I am deeply appreciative of this situation. I feel that the authors' constituents will appreciate that these bills were introduced on the assumption that the 1956 estimates of receipts over expenditures were correct and that the surplus of receipts over disbursements would make the proposed liberalizations feasible. I cannot believe that public opinion would favor enacting these bills under the present circumstances. I should like to stress this point because the American people are vitally concerned in the soundness of our Social Security System. Would it not be considered a betrayal of our trust if we, at this time of a mounting social-security deficit, recklessly deplete the trust fund by further liberalizing amendments?

The fundamental principle, adopted at the outset of the old-age and survivors insurance system, was that the System should be actuarially sound. The orig-

inal act established what was termed the "old-age reserve account" and which, since the 1939 amendments, has been called the Federal old-age and survivors insurance trust fund. The principles leading to its establishment and purpose were reaffirmed by the 1956 amendments. In establishing disability insurance at that time we likewise established a separate trust fund, the Federal disability trust fund, separately financed by the additional social-security tax which was imposed and earmarked solely for disability benefits.

There have been, particularly in the early days of social security, divergent views as to the appropriate size of the trust fund, but since 1939 the present general yardstick has been in the law. It contemplates that Congress shall act when the trust fund is unduly small or unduly large. This general yardstick is referred to as the "3-times rule"—the relation of the trust-fund balance to three times the estimated expenditures during any of the ensuing 5 years. There is also the unwritten rule that the System should not operate in the red—the pay-as-you-go rule. I do not believe that this House will ever knowingly act in violation of these rules.

Members of this House are keenly aware that they are, in reality, social-security trustees who represent, on the average, some 400,000 citizens of their respective district, practically all of whom are concerned with this great System as present or prospective, direct or indirect contributors and beneficiaries.

I have included in this 400,000 not only those presently employed and directly contributing toward benefits and those actually receiving benefits, but all, including wives and children whose breadwinners' take-home pay is affected by social-security deductions and whose every purchase is affected by social-security taxes passed on to them by way of higher prices, and who are in turn given a floor of protection by the System.

Each of us is pressed to make changes in the System and each recognizes that many of these changes may be desirable. Each of us appreciates that these proposals must be evaluated in terms of immediate and long-run costs, as such costs must, at least ultimately, be reflected in the social-security taxes. In thus weighing benefits and burdens we exercise a necessary trusteeship.

The Congress has been subjected increasingly to articles in the press which

point out that social security has been liberalized every election year since World War II and cynically forecast that this year will be no exception. We properly resent this inference that social security is considered a political hand-out, irresponsibly provided by the Congress. Every student of the system knows the care and consideration which have been given each change. We have at times differed among ourselves on some details, but we have likewise recognized the integrity of those with whom we differ. Amendments have been adopted only after a careful appraisal of their results, and we have been zealous above all else to preserve the financial integrity of the System.

The fact should be published that each 2 years there is a new House of Representatives, and that social-security proposals introduced the first year are in general the bills whose necessary study and consideration precedes our action in the second year—which is inevitably also an election year. The public should be fully apprised of the careful and considered actions which precede social-security changes.

I particularly stress the importance of a broad understanding of the reasons why the present social-security situation has developed. Members who may be disappointed in not getting action on social-security proposals which they prize, should take satisfaction that inaction demonstrates the falsity of charges that we are playing politics with social security. Much more important, it gives our people concrete evidence that their deep faith in the integrity and security of our contributory insurance system is not misplaced.

I cannot think of anything more tragic, both to the present and future beneficiaries of the System, than our knowingly enacting any proposal that would scrap the principle of pay-as-you-go and operate the System in the red, or which would increase expenditures at a time when the System already is so operating. Such action would undermine public confidence both in the System and in the Congress which controls the System. It is essential that the solvency of the old-age and survivors trust fund be preserved so as to safeguard the benefit rights of the millions of Americans who look to the OASI program for their retirement security. It is particularly essential that such benefit rights be protected with respect to our Nation's low- and middle-income families.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 22, 1958

The House met at 12 o'clock noon.

Elder Kenneth R. Pinkstaff, pastor, Metter Primitive Baptist Church, Metter, Ga., offered the following prayer:

Unto the Supreme Architect of the Universe, we lift our voices in prayer. Accept our humble praises for Thy rich mercies and loving kindness that Thou hast bestowed upon us as a great nation. Grant, O merciful God, Thy eternal wisdom and divine understanding shall

be granted here in the leadership of these men that God and this Nation might be blessed. Thou knowest the future, Thou understandest our faults from afar off. Shun us from evil that we may follow in the paths of a Holy God. Endow Thy blessings on all the leaders of our Nation and especially upon the President in the capacity of leadership. It is written that God shall preserve the nation that seeks him. Remember now, our Father, the rank and file of our people and grant Thy benefits in the sustaining qualities of life. May the schools and churches be the guiding

lights of this great country. Bless, O merciful God, the sisterhood of nations and especially the nations that are enemies to the great cause of Christianity. May the shining light of Thy supreme liberty and the glowing radiance of the grace of God be upon us and may the God who is able to keep us from falling, present us faultless before the angelical throne of the eternal heaven, we ask it in Thy great name both now and forevermore. Amen.

The Journal of the proceedings of yesterday was read and approved.